DOCUMENT RESUME

ED 342 426 JC 920 003

AUTHOR Eadie, Douglas C., Ed.
TITLE Striking New Bargains: Strategic Approaches to Employment and Training. Proceedings of a Northeast-Midwest Conference (Cleveland, Ohio, October 20-21, 1985).
INSTITUTION Cuyahoga Community Coll., Cleveland, Ohio.
PUB DATE Oct 85
NOTE 78p.; Publication made possible by a grant from the Gund Foundation.
PUB TYPE Collected Works - Conference Proceedings (021)

EDRS PRICE MF01/PC04 Plus Postage.
DESCRIPTORS College Planning; *College Role; Community Colleges; *Economic Development; *Educational Cooperation; Educational Legislation; Education Work Relationship; *Employment Programs; Federal State Relationship; *Job Training; Postsecondary Education
IDENTIFIERS *Job Training Partnership Act 1982; *Ohio

ABSTRACT

This proceedings contains the papers presented at the 1985 "Striking New Bargains" conference, which brought 200 representatives of business, labor, government, and education together for a dialogue on strengthening state and local economic and human resources development efforts in Ohio. The proceedings contains: (1) "The Federal Role in Employment and Training: A Strategic Perspective," by Patricia W. McNeil; (2) "A New Partnership Paradigm," by Dale Parnell; (3) "Our Changing Work Force," by James B. Campbell; (4) "Linking Employment and Training," by Howard D. Samuel; (5) "Employment Services in a JTPA (Job Training Partnership Act) Setting," by Burton L. Carlson; (6) "Employment and Training: A Delivery System at Last," by Stephen W. Berman; (7) "Ohio's Response to the Employment and Training Challenge," by Richard F. Celeste; (8) "Building New Systems in the Employment and Training Arena," by Howard V. Knicely; (9) "Planning Employment and Training Programs Strategically: The Ohio Experience," by Roberta Steinbacher; (10) "Employment and Training in Michigan: A New Approach," by Philip H. Power; (11) "Planning and System-Building," by Dennis A. Derryck; (12) "Focusing the JTPA Process: The Cincinnati/Hamilton County Experience," by Gordon Hullar; (13) "Targeting JTPA to the Fast Track of Community Problem Solving," by Marsha M. Oliver; (14) "Strategic Planning & Local Systems Building: A Case History," by Marion W. Pines; (15) "Economic Development through Human Resource Development," by Grace Carolyn Brown; (16) "Case Study of Triton College's Role in the Formation of a Regional Economic Development Effort," by David Kozlowski; and (17) "The Role of the Community College in Economic Development," by James P. Long. (JMC)

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STRIKING NEW BARGAINS

STRATEGIC APPROACHES TO EMPLOYMENT & TRAINING

Proceedings from the
October 20-21, 1985 Conference
Cleveland, Ohio

Host: Cuyahoga Community College

JC920 003

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Proceedings of

STRIKING NEW BARGAINS

Strategic Approaches to Employment and Training

A Northeast-Midwest Conference
Hosted by:
Cuyahoga Community College
Cleveland, Ohio
October 20-21, 1985

This publication made possible by a grant from the Gund Foundation

Editor

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Strategic Management Consulting

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FOREWARD

Partnerships are at the heart of Ohio's economic revitalization, which is well underway as this is being written. Three basic partnerships appear most critical to economic development in Ohio, and probably in most other states and localities. There is, first, the partnership between state and local governments, and, second, that between economic and human resource development. And, third, the public and private sectors must work closely together if significant progress is to be made in economic development.

Partnerships, alone, are not enough. Long-term, more fundamental economic rebuilding depends on the creation and management of a **strategic agenda**. Such an agenda looks beyond day-to-day operations and seeks to influence and to shape - rather than merely react to - a complex, rapidly changing, and often turbulent environment.

Under the leadership of Governor Richard F. Celeste, Ohio State Government has been aggressive in partnership building and strategic planning, and the results can be seen in improved economic conditions throughout the State. The first two volumes of the recently completed state **Strategic Plan**, "Jobs and Ohio's Economy" and "Investing in Ohio's People," set forth a number of initiatives involving active public-private partnership and tying economic and human resource development planning and management much more closely together.

Within the framework of the **Strategic Plan**, the Ohio Job Training Coordinating Council and the Bureau of Employment Services have over the past two years devoted considerable time to strengthening state and local employment and training systems. As a consequence, the State's substantial employment and training resources are being deployed more effectively in economic development efforts. The Job Council's recent **Strategic Report to the Governor** - the product of an intensive, year-long strategic planning effort - recommends that local Private Industry Councils receive strong State support in assuming a local comprehensive planning and system building role extending beyond the Job Training Partnership Act to the whole employment and training arena. This recommendation is not mere rhetoric. The Council has allocated resources to training, technical assistance, and the pilot testing of local PIC-led comprehensive planning.

In this context, the Celeste Administration was naturally an early enthusiastic supporter of Cuyahoga Community College's plan to host the Striking New Bargains conference. As events demonstrated, there is a solid market for high-level dialogue on strategic planning and system building in employment and training, and the College is to be commended for orchestrating a top-notch event. Striking New Bargains was exciting because it set its sights unusually high - going beyond programmatic concerns and addressing a number of more systemic questions. The conference was also unusual in its thematic integrity. Eschewing the popular "smorgasbord" approach to conference program development, the College strove successfully to weave a unified program fabric.

The Striking New Bargains papers represent a rare contribution to the literature of economic and human resource development, and I know that public and private sector executives involved in the field will find them stimulating, useful reading. But Striking New Bargains was only a step in the right direction. The extreme fragmentation characterizing the employment and training area will be overcome only if we continue to set our sights higher than programmatic concerns. The process of identifying new opportunities for strategic bargains and of negotiating them must be continuous. The commitment and self discipline required to create and maintain strategic agendas will be considerable. However, the results in economic and human terms will be well worth the cost.

Participation in Striking New Bargains was a privilege and a pleasure, and I expect to draw often on the practical wisdom contained in this volume of papers.

Roberta Steinbacher, Ph.D.
Administrator, Ohio Bureau of Employment Services

INTRODUCTION

Some 200 executives and senior managers representing business, labor, government, and education gathered in Cleveland on October 20-21, 1985, for a day and a half of intensive, exciting, and often provocative dialogue on strengthening state and local economic and human resource development efforts. "Striking New Bargains" was unique in its focus on strategies for transcending organizational and programmatic boundaries in the employment and training arena, as a means of ensuring that the taxpaying public receives the fullest feasible return on its very substantial investment in employment and training programs. The response of participants was so enthusiastic that as this is being written in April, 1986, planning for "Striking New Bargains II" is well underway.

Cuyahoga Community College, as the host of "Striking New Bargains," along with the fourteen national, regional, state and local co-sponsors, is pleased to publish this volume of papers that were presented at the conference. As conference participants already know, and as other readers will learn, there is nothing perfunctory about the "Striking New Bargains" papers. Uniformly thoughtful and insightful, frequently provocative and critical of the conventional wisdom, they represent a significant contribution to the employment and training literature.

"Striking New Bargains" vividly demonstrated that the need for creative approaches to employment and training has never been greater, and it challenged leaders in the field to continue to lower the formidable barriers to collaborative planning and cooperative programming. If "Striking New Bargains" made clear the magnitude of the system-building challenge, it also reported heartening progress on this front. The fact is, interinstitutional partnerships are thriving at the state and local levels, and creative, productive cooperative efforts abound.

Genesis of "Striking New Bargains"

In his **Retooling the American Work Force** (Northeast-Midwest Institute, 1982), Pat Choate described the "uncertain economic future" facing the American worker:

> Technology and foreign trade are making millions of existing jobs obsolete. The academic and functional skills of most workers are too antiquated for the new replacement jobs that already are emerging. Neither business nor government is adequately prepared to help workers with retraining or adjustment assistance.

This challenge was very much on the mind of a task force representing the American Association of Community and Junior Colleges and the Association of Community College Trustees, which in March, 1982, issued a concept paper, "Putting America Back to Work," calling for a national "moon-shot" commitment to job development and training tied to economic development goals. The two national associations were able to secure a generous grant from the W. K. Kellogg Foundation to finance the first action year of the "Putting America Back to Work" Project.

I was fortunate to have the opportunity during 1982-83 to serve as the Executive Director of the Project, which had three major objectives:

- To build a public-private network of organizations committed to the development of a "comprehensive, coordinated approach to human resource development as a conscious tool for the nation's economic development."
- To promote national economic and human resource development policies tying the two more closely together.
- To provide local community colleges with practical guidance in economic development.

The Report and Guidebook published at the conclusion of the first "Putting America Back to Work" action year calls for community colleges to play a leadership role in building stronger state and local systems to plan, coordinate, and manage economic and human resource development efforts.

> There are strong arguments for moving toward the system-building end of the spectrum. The building of a more unified employment and training system at the state and local levels - characterized by comprehensive planning and coordinated service delivery - will ultimately benefit all of the system's participants, including two-year colleges.

Cuyahoga Community College's active involvement in "Putting America Back to Work" and its successor, "Keeping America Working," certainly led directly to the College's lead role in organizing "Striking New Bargains." Also influential was the State of Ohio's

comprehensive strategic planning process, which has resulted in the implementation of a number of significant economic and human resource development linkage initiatives. For example, the second of four planning documents generated by the process, "Investing in Ohio's People," calls for the creation of a statewide information sharing system, the implementation of a "Public Welfare Reinvestment" program, and the development of a stronger interagency mechanism to deal with plant closings.

The genesis of "Striking New Bargains" can also be found in the work of the National Alliance of Business and the American Economic Development Council. In "The Employment/Economic Development Connection: New Tools, New Roles, New Directions," a Guidebook produced jointly with SRI International, the National Alliance of Business provides a strong rationale for system building, a number of success stories, and detailed guidance in linkage strategy formulation. And **Economic Development Today,** the result of a year-long strategic planning effort by the Council, observes that "one of the linkages that needs to be further developed is one between the economic developer and the educational decision makers in the community."

The genesis of "Striking New Bargains", then, can be found both in a changing economy demanding stronger economic and human resource development linkages and in the research and development efforts of a number of organizations. The idea's time had clearly come, and what was needed was a forum for sharing the rapidly growing body of practical knowledge. Cuyahoga Community College is pleased to have played a leading role in making this forum possible.

The Broad Canvas

The seasoned professionals who in broad strokes outlined the problems and opportunities in the economic and human resource development field had a unique grasp of both the sweeping structural changes underway and the practical approaches to addressing them. Trish McNeil, head of McNeil Associates and former Director of the National Commission for Employment Policy, observes that efforts to plan for the future have "too often consisted of narrowly focused buzz-word solutions with little or no thought given to stable, integrated approaches with the flexibility necessary to plan and manage intelligently or effectively." The revolution in the work place resulting from changing technology and international competition calls for workers with a "good foundation" of basic academic skills - the ability to reason, solve problems, communicate and relate to others. Ms. McNeil provides specific suggestions as to what the federal government might do to "help lead us into the future," including:

- The creation of an "integrated" Job Training Partnership Act, Employment Service, and Unemployment Insurance system
- Emphasis on the development of "multi-skilled" workers
- A focus on lifelong learning and continuing education
- The building of a stable base of funding for education and employment and training programs
- And the development of a program of infor--mation sharing, technical assistance, and research and development on the changing workplace.

James Campbell, who in addition to heading MISSCO Corporation chairs the Education, Employment and Training Committee of the U. S. Chamber of Commerce and serves on the NAB Board of Directors, explains the interest of the business community in education and training reform in terms of a number of factors, including the tremendous school drop-out problem, the extent of adult functional illiteracy, international competition, and anticipated skills shortages. Mr. Campbell convincingly argues for a "national youth policy" of some kind to cope with the growing mismatch between the nation's youth and the work place.

Dale Parnell, President of the American Association of Community and Junior Colleges, calls for a "new paradigm" that prepares workers to function effectively in the coming information-based economy. Dr. Parnell proposes a "Tech Prep/Associate Degree" program representing a close secondary-community college partnership. This new thrust "must have a math base, a science base, a literacy base, and a technical education base," according to Dr. Parnell. Howard Samuel, President of the AFL-CIO Industrial Union Department, notes the growing frequency of collective bargaining agreements with training and retraining provisions. He cites the 1984 UAW-Ford agreement creating the Employee Development and Training Program, allocating between $35 and 40 million annually to employee development and training and the Communica-

tions Workers of America agreements with AT&T and other firms, providing for career, personal development, and job displacement training. Mr. Samual points out that a 1984 survey of 100 major union contracts indicates that 21 percent provided rights to training for a new job.

Burton Carlson, Senior Research Associate in the Center for Policy Research of the National Governors' Association, and Stephen Berman, Executive Director of the New England Employment and Training Council, direct their attention to the system building challenge. Mr. Carlson is concerned with linkages between the Job Training Partnership Program and the Employment Service - the two "halves of the employment and training equation." According to Mr. Carlson, " 'new bargains' in this area will not be struck until we more pointedly define the role of the Employment Service, find a way of relating ES appropriations to ES performance, and get beyond ES reliance on the interview as the primary assessment methodology." The answer, he suggests, lies in a specific methodology - "validity generalization" - which will link ES performance and the ES budget for the first time.

Steve Berman finds that the JTPA delivery system "works and, considering its young age, it works well." Mr. Berman notes that roles of state Job Councils and local Private Industry Councils under JTPA represent major structural change, observing that some PICs now "serve as true regional labor market boards with the knowledge and authority to orchestrate the full range of a community's public and private resources." He suggests that the full promise of JTPA as a system-building vehicle will not be realized without professional development programs for JTPA middle managers.

State Leadership

A clear trend in this transition period in the American federal system is the growing authority and responsibility of state government. Despite the painful adjustments required by the "New Federalism" of the Reagan Administration, particularly in building a stable state and local government fiscal base, the potential for stronger state leadership is great. This is certainly the case in the economic and human resource development spheres, as a number of "Striking New Bargains" presenters testify.

Governor Richard F. Celeste of Ohio points out that the economic cycles at work during much of the 20th Century are no longer operable.

> What we confront are sustained tests of our economic system. Global competition and technological changes aren't going to go up and down and up and down, they are going to be constant realities that shape the arena in which we have to perform....

Governor Celeste describes a number of initiatives that demonstate the aggressive role of state government in Ohio, including the Dislocated Worker Loan Fund, which provides educational loans to people whose credit rating has been destroyed by unemployment, and the Ohio Works program, which provides incentives for businesses to hire welfare clients in entry level jobs. The Governor suggests that the most severe challenge facing Ohio State Government in the employment and training area is youth unemployment and joins other "Striking New Bargains" presenters in calling for an emphasis on education in the basic skills which will prepare youth for a lifetime of work in a rapidly changing economy.

Howard Knicely and Philip Power, chairs, respectively, of the Ohio and Michigan JTPA Job Training Coordinating Councils, demonstrate both their understanding of the environment and their commitment to creative state leadership. Roberta Steinbacher, who heads the Ohio Bureau of Employment Services, describes how a large state agency formulated strategies to promote local employment and training system building via strengthened Private Industry Councils.

Howard Knicely, noting the extreme fragmentation that characterizes the state and local employment and training environments, observes that even professionals in the field "have a difficult time making heads or tails of this non-system." He suggests that Private Industry Councils are "ideally" suited to bring greater order to the local environment and identifies three indirect courses of action that state job councils can follow in supporting PICs in their system building role:

- To serve as role models by engaging in successful strategic planning and system building efforts at the state level
- To provide technical assistance and training to PICs
- And to provide financial support for system-building initiatives.

Roberta Steinbacher describes the strategic planning process that the Ohio Bureau of Employment Services employed to identify local PIC system building as a high priority and to develop implementation strategies. She points out that the first volume of the state strategic plan provided the Bureau with a clear strategic priority by stating unequivocably that economic development and education/job training "will be equal partners in revitalizing our economy." The strategies formulated to support active local PICs include the institution of a joint ES-JTPA planning process, grants for PICs to conduct local employment and training resource inventories, the production of a PIC strategic planning guidebook, and the provision of technical assistance and training to PICs.

Philip Power describes Michigan's impressive efforts to attack fragmented approaches through innovative adjustments in both mission and structure. Michigan's "radical thought" that has guided planning is to explore whether

> government can tweek market forces into play to improve governmental effectiveness, increase coordination, reduce turfing and demand-drive a whole slew of unconnected E & T programs.

On the structural side, Michigan created a completely new entity to manage the JTPA program and to support the State Job Council, the Governor's Office for Job Training. One of the early initiatives of the Office was to assemble an interagency task force to prepare a detailed inventory of human resource programs in Michigan.

At the Local Level

The message from the local level is encouraging for proponents of more effective economic and human resource development systems. As the "Striking New Bargains" presentations clearly indicate, strategic planning and aggressive partnership building are resulting in new bargains, innovative programs and the more effective use of federal, state and local resources. Selectivity and focus characterize such planning and program development initiatives. The golden rule is manageability - do only what can be done effectively and don't feel pressured to take on the world.

Dennis Derryck, Managing Director of the Business and Industry Development Division of the New York Private Industry Council, describes how a modestly funded organization in a complex, rapidly changing and highly competitive environment was able to achieve significant results. The challenge, in his words, was how BIDD was to "maximize" its role with the employment and training systems within the city given its limited resources." The response involved methodical internal organizational development, including strengthening administrative systems, external environmental scanning, and active staff involvement in setting directions and formulating action strategies. While actively promoting linkages and partnerships, BIDD set clear directions and avoided involvement in programs falling outside its established mission.

Gordon Hullar, chair of the Cincinnati Private Industry Council, describes a rigorous PIC strategic planning process whose objective is to set clear

> direction for our program and create **alignment** of the PIC and critical community leaders with the JTPA program in Cincinnati and Hamilton County. It is through this alignment that we expect to achieve outstanding results.

The Cincinnati PIC strategic planning process is comprehensive, involving development of a "vision" and a mission, selection of strategies, and formulation of detailed action plans.

Marsha Oliver, President of the Indianapolis Private Industry Council, believes that staying in touch with the community is critical to the ultimate success of a PIC program:

> If there are any rules - that's the first one. **Know what is important to your community.** It is by involving local employment and training systems in those important and high visibility projects that credibility for the system is developed.

The Indianapolis PIC has also aggressively built partnerships and leveraged resources. For example, BREAKthrough, a 21-week program for youthful male offenders involving physical, academic, and on-the-job training, was jointly funded and managed by the city, JTPA, and the Office of Juvenile Justice. Ms. Oliver counsels that a PIC not attempt to do everything, rather incorporating "what it can do into state and local overall efforts."

Marion Pines, Commissioner of Baltimore's Neighborhood Progress Administration, provides a practical definition of strategic planning as applied in her organization. It is "the term given to a process designed to help all managers, public and private, ready their industries for the future."

> It is a technique that need not be complicated or technical - it can be a common-sense process to help people focus their attention away from the day-to-day decisions and crises and onto longer range goals. Strategic planning in Baltimore is simply organized planning designed to make managers think, and manage, proactively.

Recognizing that training programs "cannot and should not stand alone, isolated from the many other systems working to address unemployment," Baltimore created the Neighborhood Progress Administration, combining the training, housing and community development functions of the city government.

The Community College Perspective

Grace Brown, Executive Vice President for Academic Affairs at Cuyahoga Community College, James Long, Senior Research Specialist at the National Center for Research in Vocational Education, and David Kozlowski, Associate Vice President of Economic Development at Triton College, describe community college initiatives in economic and human resource development.

Dr. Brown describes the Unified Technologies Center being created at Cuyahoga Community College as a critical component of the Cleveland Advanced Manufacturing Program, an Advanced Technology Applications Center of the state's Thomas Edison Program. The Technologies Center is basically the training arm of the Advanced Manufacturing Program, which is intended to address two basic problems in Northeast Ohio:

> Stagnation and loss of market share in the manufacturing sector;
> Area manufacturing firms' non participation in emerging technologies.

Dr. Long provides an overview of community college activity in economic and human resource development, observing that they have become "pivotal elements" in economic development efforts throughout the country. He provides several examples of innovative community college initiatives, including St. Louis Community College's partnership with Ford Motor Company to revitalize the Hazelwood assembly plant, and describes the National Postsecondary Alliance, a consortium of 85 two-year colleges involved in exchanging ideas and training in economic and human resource development.

Finally, Dr. Kozlowski provides a case example of two-year college leadership in creating a communitywide mechanism for economic development. The Mid Metro Economic Development Group in the Chicago area, a "regional economic development entity funded primarily from the private sector," was largely the product of a joint effort of Triton and Morton Colleges, with state seed funding.

In Closing

I trust that the papers which follow will prove useful to the reader in a number of ways - in negotiating a complex and rapidly changing terrain; in applying strategic planning techniques at the state and local levels; in forming new partnerships; in shaping innovative programs. Cuyahoga Community College is pleased to share much of the "Striking New Bargains" dialogue with you, and we hope that you will contribute to the continuing dialogue in this area of great national importance."

Nolen M. Ellison, Ph.D.
President, Cuyahoga Community College
Chair, "Striking New Bargains"

THE FEDERAL ROLE IN EMPLOYMENT AND TRAINING: A STRATEGIC PERSPECTIVE

Patricia W. McNeil, President
McNeil Associates
Washington, D.C.

The Future Was Then

If we are to "Strike a New Bargain" and think strategically about the role of employment and training in the future, then I think it is important to question what role the federal government ought to play in that bargain. To do this we first need to look at the evolving role of the federal government in employment and training in the past.

I first became aware of federal employment and training programs in the 1960s. (They were called manpower programs back then.) At that time the federal government was managing over 10,000 contracts with local community groups and government entities, and it was being argued that such an arrangement was totally unmanageable. The late Congressman William A. Steiger, with whom I was working at the time, advocated turning the management and delivery of manpower programs over to the states, and he developed the first piece of legislation to decentralize and decategorize federal employment and training programs. The legislation that was eventually passed by Congress in 1970 was vetoed by President Nixon, because it included a small public employment program.

It took almost three years before a version of that legislation was finally enacted as the Comprehensive Employment and Training Act (CETA) in 1973. CETA set local governments up as the primary designers and deliverers of employment and training programs, contained a modest and somewhat disjointed role for states, and left a sizeable role for the federal government as traffic cop, auditor, and regulator of the system.

The 1978 amendments to CETA strengthened this federal role and also introduced a formal role for the private sector in the delivery of job training services.

In 1982, in the wake of severe criticism, some of it justified, much of it not, CETA was replaced by the Job Training Partnership Act (JTPA). One of the key objectives of JTPA was to rationalize the roles of the various levels of government and the private sector in the planning, delivery, management and evaluation of job training programs. It appears that after 15 years of experimentation we finally have the roles of various levels of government and the private sector about right in JTPA - not perfect perhaps, but about right.

During this 15 year period, while Congress was continually tinkering with job training programs, the U.S. Employment Service and the Unemployment Compensation system went along largely untouched and unchanged in basic purpose or operation. These two systems, financed largely from employer taxes and administered on a day-to-day basis by the states, have no role for local governments in their operation. There is private sector participation on the tax side, but very uneven involvement on the policy and operational side. The federal government plays a rather schizophrenic role in the whole system.

Neither system gets much attention at the federal level in Congress or the White House. In 1978, Congressman Steiger proposed combining CETA and the Employment Service into one system, and the 1982 reforms, proposed by Congressman Hawkins and enacted as part of JTPA, made some important changes in the way the Employment Service does business; but, in general, these reforms generate little interest from policy makers. Of course, when particular state trust funds are in crisis or when the nation is in the midst of a recession and large numbers of workers are running out of state benefits, then there is a flurry of interest and activity to patch something together. At all other times, employment service (ES) and unemployment insurance (UI) are like the weather—everyone complains about them, but no one at the federal level does much about them. Furthermore, there is very little real coordination between these systems and the Job Training Partnership Act.

When we review the past 15 years, we see that we have spent much of the time trying to find a good delivery system for job training programs, and very little time trying to rationalize the delivery system of these programs with either the Job Service or the UI system

or with future labor market needs. This, then, is the developmental and organizational context in which we find ourselves as we try to decide whether to Strike a New Employment and Training Bargain and think strategically about the role of the federal government in employment and training in the future.

The Future Is Now

George Allen, former coach of the Washington Redskins, was fond of saying, "The future is now."

If George Allen had been coach of employment and training over the past 15 years, he would have been right at home, because instead of planning for the future, we have consistently approached employment and training as if the future is now. Whatever the immediate crisis or fad was at the time, we focused our employment and training energies and resources on it. When the War on Poverty was our goal, we reoriented the employment service to deal with it. When the 1974-75 oil crisis sent shock waves through the economy, we mounted a public service job creation program to protect state and local government jobs. Two years later as the recession subsided we refocused the program on the hard-core unemployed, and in the recession of 1977 we made it a countercyclical employment program. Finally, it was scrapped, because critics said it wasn't doing its job.

Now there is something to be said for having a flexible system, one that can respond to a crisis, but in the past we have tended to completely reorient planning, delivery and resource levels every time we have to deal with a crisis or with the newly discovered problem of the day.

Our efforts to plan for the future too often have consisted of narrowly focused buzz-word solutions, with little or no thought given to stable, integrated approaches with the flexibility necessary to plan and manage intelligently or effectively. We have too often gotten to the future by default, not by design.

The Future Is Coming

Whether we are prepared for it or not, the future is coming. And while we cannot predict everything that will happen, there are some indications about what our working futures might look like.

There is a revolution taking place in the workplace today that will continue to unfold throughout the next 20 years. The revolution is being fomented by increased international competition, changing technologies, changing consumer preferences and uncertain economic conditions. Computer-based technologies are major implements being used in this revolution to help firms and workers become more productive and competitive, and new management techniques are serving as major battle strategies.

This revolution is affecting the way work is organized, the education and skills required for jobs, and the structure and location of jobs.

Here are some of the trends that are emerging in manufacturing, offices and health services:

- **Job Compression.** Jobs are being compressed and streamlined. For example, one of the major bargaining issues in the recent Chrysler dispute is Chrysler's desire to reduce over 500 job categories down to under 15! In office and health industries we are seeing the emergence of 4 major job categories: (1) clerks and orderlies; (2) customer or personal service representatives; (3) para-professionals; and (4) professionals.

- **Jobs Decentralization.** Some jobs are being decentralized through more contracting out. For example, batch processing of mailing lists or checks can be done in the home, in areas with low labor costs, or offshore.

- **Job Centralization.** Some jobs are being centralized. For example, ordering merchandise or making an insurance claim can be handled through a central location, by calling an 800 number, rather than through on-site local agents.

- **Job Elimination.** Some semi-skilled and lower-skilled jobs are being eliminated. Many of these jobs can be done by robots, or they can be compressed into other jobs, or replaced by self-service alternatives. One of the more memorable parts of the movie, "Back to the Future" is the visit to the 1950s' gas station where four uniformed attendants run out to check the oil, fill the gas tank, wash the windshields and check the air in the tires!

- **Changes in Career Ladders.** Natural career ladders within some firms seem to be disappearing or shrinking. In many occupations, one way of getting ahead was by observing and working next to the person who had the next highest level job. In the way it has been implemented, computer-based technology has tended to disrupt this natural learning sequence as industries have moved to fewer job categories, more specialization and contracting out. This means that education may increasingly be the key to career mobility.

- **Homogenization of Skills Across Industry Lines.** Skills for lower and mid-level workers are beginning to look very similar across industry lines. Computers now house the basic information of each industry, often minimizing the need for firm-specific knowledge on the part of these workers. Basic academic skills, thinking, reasoning, problem-solving, diagnostic, communication and interpersonal skills form the core skills needed by workers despite their industry affiliation.

- **Sophisticated Computer Skills Unnecessary.** Only about 5% of workers in jobs that use computers will require extensive training in computer use. Eighty-five to ninety percent of all workers who use computers can learn the necessary skills by brief training—from a few hours to a few weeks—followed by a period of learning on-the-job.

To respond to these changes, workers are going to have to be multi-skilled so that they can work as part of a team or transfer between jobs or to new jobs as the need arises. They are going to have to have a good foundation of basic academic skills, thinking, reasoning, problem-solving, communication and interpersonal skills. And they are going to have to be prepared to take advantage, both on the job and on their own, of education and training that will enable them to keep up with changing technology and make career advancements.

When we think of a revolution we often think of sudden, unmanageable disruptions which come upon us abruptly, giving us no warnings or time for planning. Although for some industries and workers, like automobiles, the revolution has seemed abrupt, the introduction of computer-based technology into the workplace is a revolution in progress—and, as such, for most workers and industries there is time to plan and adapt.

By the end of 1984, the U.S. had 7½ million commercial or professional type computers in use on the job, another 11 million computers being utilized in the home, over 105,000 numerically-controlled machine tools and about 15,000 industrial robots. There are about 140 occupations in the U.S. in which workers currently use computers, ranging from airline clerks and secretaries to lawyers, architects, engineers, scientists and farmers. About 13 million people, or one worker in eight, already uses computers on their job.

But we still have a long way to go in computerizing the workplace. For example, only 32% of U.S. firms have adopted personal computers to date. Robots were in use in only 3-4% of all metalworking plants by 1983, and this is the sector where almost all robots are used. Experts predict that even by the year 2000 most factories won't have integrated their various computer technologies into a coordinated system.

Despite the challenges and uncertainties that lie ahead, we may be facing the best of all possible worlds as we try to think strategically about the future. We have some good indications of how jobs and job requirements are changing, and we have some time to adjust to those changes.

It is important to remember that technology gives firms and workers the ability to do certain things; but people decide how technology is to be introduced and utilized. In many cases, the outcome in terms of job loss or job content will be dictated by the choices that are made by managers, unions and individual workers, much more than by the technology itself. We must strategically and thoughtfully plan and manage our education, training and technology implementation strategies if we are to avoid the wholesale discarding of unprepared individuals or productivity breakdowns that leave us unable to compete.

The Future Is Ours

When I think about the future yet to come, as opposed to the future past or the future present, it is possible to work up a good deal of despair. After all, we have been pursuing a solution to education and employment problems for years. We still have an abundant supply of disadvantaged citizens who are unable to succeed in the labor market. Youth and minority unemployment is unacceptably high. We have a shortage of jobs in some regions of the country. We still don't

know how to very effectively help displaced workers for whom the original manpower programs were developed in the 1960s. Women are still concentrated for the most part in lower-paying "female" occupations. And to complicate matters further, the changes taking place in the workplace could hit these individuals the hardest if we fail to plan and manage carefully.

Some people have concluded from all this that the federal government, in particular, should get out of the employment and training business since it cannot seem to solve these problems even though it has invested billions of dollars in trying.

After 17 years of experience, I reach another conclusion. First of all, I take some heart from the delivery system we have established under JTPA. After 15 years of experimentation with different configurations, I think we have the roles of various levels of government and the private sector about right in JTPA—not perfect, but about right. If I have one criticism it is that the Department of Labor—the federal partner—has not held up its end of the partnership. This can be, and I think will be, remedied under the leadership of Labor Secretary Bill Brock and Assistant Secretary Roger Semerad.

Second, after all this experimentation, I think we have learned some very important lessons about delivering services and about what works for whom. We need to know more about program strategies, but we have learned a great deal.

Third, we have recognized our limitations about predicting the future, but we also have more information about what might be expected in the labor markets of the future than we have ever had.

Fourth, the opportunity to rationalize the federal system of JTPA, ES, and UI and to build better links to the general education and vocational systems has, I think, never been greater given budget pressures, state and local government frustration and experience, and economic necessity.

Given these opportunities, here are six suggestions on what the federal government could do to help lead us into the future:

- Create an integrated JTPA, ES and UI system and establish similar roles and responsibilities for the federal, state, and local governments, and the private sector.

- Stress the development of multi-skilled workers who have basic academic skills, as well as problem solving, interpersonal and communication skills. Encourage our elementary, secondary, vocational education and training programs to develop students and workers who have the basic ingredients to take advantage of higher academic and skills training throughout a lifetime of learning either in post-secondary institutions or on-the-job from employers. These skills must be part of a package, because stressing basic academic skills in the absence of problem-olving and communication skills or occupational skills in the absence of academic skills will only lead to failure.

- Set a tone for learning. Place a national emphasis on lifetime learning and continuing education. Reverse the American mindset that school and learning are only for kids, that real men don't go to school, and real women don't need to! Seventy-five percent of the people who will be in the workforce in the year 2000 are already working. This means that it is largely adults who are going to have to adjust to the workplace of the future.

- Strengthen the link between education, job training, job search assistance and unemployment insurance.

- Develop a budget package with a combination of direct funds, loans and incentives which will provide a stable base of funding for education, employment and training programs. The package should also provide incentives for businesses to train their own workers and for individuals to provide their own training. It must take into consideration the fact that workers most likely to seek additional training for themselves or to get additional training from their employers are those with high levels of education and income.

- Develop a program of information sharing, technical assistance, and research and development on the changes taking place in the workplace, good program strategies, the use

of computer-based technologies to improve the delivery of employment and training services, and good management techniques.

In the early days of the republic, local economies were self-contained, providing jobs and training for workers for those jobs without much regard for what was happening in other parts of the state or nation. The role of states and the national government was minimal. As the country grew, transportation improved and technology advanced, intrastate and interstate commerce increasingly impacted on what happened in local communities. The role of the states and then the national government increased in importance.

Today, we operate in a complex, global economy. Such complexity requires that we decentralize some functions. It also requires national leadership to make the economy competitive and viable and to provide assistance for individuals and areas which are most vulnerable to changing economic conditions and least able to help themselves adjust. This role will become increasingly important in the future.

Today, large U.S. corporations are having to reassess their ways of doing business. They are creating small, flexible units of production in local plants which operate within the larger corporation and which rely on the large corporation for the research and development support and the economies of scale to penetrate overseas markets. So too, U.S.A. Incorporated is going to have to organize its human resource development division so that it is small and flexible enough at the local level to deliver quality and efficient services, so that it has efficient, enlightened middle management at the state level and so that it has support from the corporate headquarters at the national level in the areas of research and development, information sharing, a stable funding environment and the impetus to keep the corporation on the cutting edge.

It is critical that the federal government play a role and play the right role. In the end, the future will be what we make it. The opportunity is there. We have but to seize it.

A NEW PARTNERSHIP PARADIGM

Dale Parnell, President
American Association of Community
and Junior Colleges
Washington, D.C.

That great American philosopher, Mae West, made a statement that too much of a good thing is simply wonderful, and you may have had too much of a good thing here this afternoon talking about paradigms, but I would like to share another one with you. You have heard and you will continue to hear about creative partnership arrangements to alleviate present-day job dislocation. Let me talk about a collaboration we are pushing on a nationwide basis. We are endeavoring to form partnerships between public and private employers and the community, technical and junior colleges of this country.

Connecting With Large Employers And Labor Unions

Our partnership development effort has four parts. The first part has to do with large employers and labor unions. Many of the larger employers have their own training capabilities. However, we are finding them extremely responsive in terms of "Can't we do some of the education and training together?" There are many problems to solve when you enter into a partnership relationship. I talked with a vice president of General Motors the other day and asked him why he didn't work more with some of the universities. In his response he said, "Their speed is deceptive; they are slower than they look." Many of our colleges have yet to discover that speed and flexibility are essential ingredients to a successful college/employer partnership arrangement.

Another problem to be solved has to do with the collective bargaining process and contract administration involving large labor unions and large employers. Enlightened unions and enlightened employers are discovering that development of the human resource is fundamental to success in this information age. Now I contend that the missing link in the economic policy of our country has to do with the lack of national attention to human resource development in any consistent kind of way. Every cabinet officer has a certain amount of money for human resource development, but we don't approach that in any kind of coordinated way. It is fragmented and I don't think we use our federal human resource development dollars very effectively. The current national administration, particularly, is allergic to anything called a national policy. Perhaps we should call it a strategy . . . a national strategy as it relates to human resource development.

I think it was Lucy who was trying to pin Charley Brown down when she said, "Some people on the great cruise ship of life place their deck chairs to the front. They want to see where they are going. Some people place their deck chairs to the rear. They want to see where they have been. The question for you Charley Brown is: Which way is your deck chair facing? Charley Brown thought about it for a minute and said, 'I've never been able to get mine unfolded.' " I think that is the trouble with the economic policy of this country. We have never been able to get our deck chairs unfolded as it relates to the human resource development dimension of our national economic policy. Consequently, we seem to remain on a roller coaster going from stagnation to inflation, largely because we ignore the most precious resource we have in the country—the human resource.

I think there is a new paradigm to be considered. There are some practical things we can do. There are resources out there; they are called community colleges. If we can get the larger employers and the labor unions together with our colleges, they can combine their resources on behalf of job training and worker development.

Connecting With Public Employers

The second part of the college/employer partnership has to do with public employers. We tend to overlook them when we talk about business and industry. What about the military, the largest employer in the country? What about city government, county government, and school districts? What about the federal government itself? Is there some way that colleges can help public employers stretch those public dollars further than they are now being stretched, and do something good for the

people who are workers in the public employment enterprise? We have a large grant from the Sears-Roebuck Foundation to stimulate college/employer partnership development. This program has gone very well. But the weakest link in the partnership effort has to do with the public employers. We find great interest in partnerships among the larger employers, labor unions and small businesses. But we have not experienced as much interest from the public employers (public sector). This puzzles me a great deal. You would think that public employers would be the group that would be most anxious to develop some kind of partnership relationship. Instead, we are finding many public employers feeling they must do it themselves. Now I question and challenge that approach. In some cases, maybe it is necessary for public employers to do it themselves, but I think there are many ways that colleges and public employers can work together for mutual benefit.

The Small Business Connection

Now let us talk for a minute about our third partnership program—colleges and small businesses. Small business may be the most receptive sector for partnership work because of their limited resources. We tend to overlook in our economic development efforts, the smaller businesses already present in our communities, which, with just a little help, can expand. Instead of 50 employees, they could easily have 100 employees with a little boost from someone. And so, in our partnership effort, we are finding small businesses (those which employ less than 100 employees) most eager to enter into a partnership relationship with community colleges. The local nature of the community college and the local nature of most small businesses helps develop access and compatibility.

The Connection With High Schools

Finally, allow me to mention a fourth partnership effort between high schools and community colleges. We have a national task force made up of people from business, industry, public employers and education. They really have pushed the high school partnership effort. They have pointed out that you cannot really have a successful national strategy on human resource development without including the high schools. So we have developed a partnership program between high schools and community colleges through a technique called a Tech-Prep/Associate Degree Program involving grades 11, 12, 13, and 14. The 1980 census revealed that 17 percent of the American population held a baccalaureate degree. If you flip that coin over, that means 83 percent of the adult population does not have a baccalaureate degree. The projections are, by 1990, that some 25 percent of the adult population will hold a baccalaureate degree. Flip that coin over and you still have 75 percent of the adult population that does not hold a baccalaureate degree. And yet, as I read the recent education reform reports, so many of them seem to aim at a college-preparatory-baccalaureate degree program. I contend that there are all kinds of excellence in American education. Earning a college level baccalaureate degree is only one kind of excellence. We must take a look at a different kind of paradigm as it relates to that great middle group of students in the high schools, the ordinary student—the students between the 25 and 75-yard line on the academic playing field. Can't we make winners out of ordinary students? I think that group of students has really been neglected and overlooked. In fact, I became so upset with the plethora of reform reports I sat down and wrote a book about it, **The Neglected Majority.** A person must really be upset to do that. It is time we gave attention to this group because of the challenges brought about by the emergence of the information age.

Are we endeavoring to solve information-age problems with industrial-age models and structures? Every time I get on an airplane I say a little prayer: "Dear Lord, I hope the airplane technician knew what he or she was doing, and that they enjoyed their work." Who will keep our airplanes flying in this country? Who will keep our lights on? Who will keep our toilets flushing? Who will do our sales and marketing? Who will keep our laws enforced? Who will keep our hospitals running? The answer will be found in well-educated workers, and they need a better education than they have ever had before. They must be more literate than they have ever been before.

The Technical Education Challenge

Just recently, **USA Today** ran an article featuring Pohanka, the Washington, D.C. Oldsmobile dealer. He is advertising for auto technicians. The starting salary is $31,000 plus fringe benefits. He doesn't want a "dirty-knuckles" auto mechanic. He needs someone who can read the sophisticated manuals. He needs someone who knows something about electronics and fluid power. The automobile today is not the old clunker that the "shade tree" mechanic could deal with easily.

And so, there is a new dimension as related to the whole area of technical education. We have talked much about vocational education but we haven't talked much about technical education. It is time that community, technical and junior colleges begin talking about technical education. Not that this is the only thing these fine colleges do, but it is one primary part of the mission of these institutions. A key question should be asked as to how these institutions can be fully utilized to prevent/reduce unemployment? How can we develop a worker that is more broadly educated? We talk about high technology, but what about broad technology and wide technology? Technology is pervasive in our society, and I am not sure that our educational system, at any level, is really turning out the kind of individuals who can deal with this new world.

I am calling for a look at a new paradigm that helps people become well-educated workers in a modern information age society. This new thrust must have a math base, a science base, a literacy base, and a technical education base. It must be a system that will infuse some enthusiasm for technology and for work itself. The kind of initiative we are supporting is called the Tech Prep/Associate Degree program. It will parallel the time-honored college-prep-baccalaureate program offering students another option.

This initiative will encourage high schools and colleges to get together and say, "Can't we agree on a new four-year program with more substance, and more structure, with good jobs at the end of the line. That's what the worker of tomorrow really needs. We have a heavy responsibility to join in these partnership efforts.

We have a dirty little four-letter word that pops up in education, when we talk about these kinds of things. It is called "turf". The turf issue pops up in more situations than I care to admit on all sides of the educational issues. If we can eliminate turf issues and put that student at the center of our concern and get employers involved in those kinds of discussions (public and private employers), I am confident these kinds of programs can flourish. Somehow, the turf issues diminish a little bit when the employer is sitting there talking about the nature a nd kinds of workers they need.

The information-age provides us with a wonderful opportunity. There is an old Chinese proverb that says, "It is unwise to leap a chasm in two bounds." And our problem is how to leap this chasm in one bound. I throw that challenge out to you. Thank you for thinking with me on these important partnership issues.

OUR CHANGING WORK FORCE

James B. Campbell, President
Missco Corporation, Jackson, Mississippi
and Chair, Education, Employment and Training Committee
U.S. Chamber of Commerce

Thank you for inviting me to visit with you for a few minutes this morning. I bring you greetings from the United States Chamber of Commerce—some of you are members of our federation—those of you who are not, I invite you to look us over—see what we are about, and consider joining us as we work to make the free enterprise system stronger. Most of our 200,000 members are small business men and women who are patriotic, profit and free enterprise oriented people.

For several years now, the U.S. Chamber has involved itself as an extremely active player in the educational and training affairs of our country. We, by ourselves and through coalitions with other business organizations, such as the National Association of Manufacturers, the Business Round Table, Committee for Economic Development, National Alliance for Business and others, have found many areas of mutual interest and understanding in this whole field of education and training. We have vigorously attempted, with some high degree of success, we think, to shape some of the federal educational and training legislation.

This began as we attempted to re-focus the CETA program in our country. Our unanimous view of this program was that as a job training program it was a failure. It may have been a good transfer payment program and the country may have needed that, but as a job training program, in our view, it was a dud, and what American business needed was an effective program to prepare people for the workplace.

Through our local member chambers, we have encouraged educational and training participation and support by businesses, both large and small, particularly at the local and state level. We have been involved in some of the task forces that have been studying the dilemma of our nation's schools, and we have been speaking all across this great country on the importance of education and training. I can tell you that there has never been a higher degree of interest and willingness to help—to get involved—by the total business community.

There has been and is some inertia that still must be overcome by small businesses all across the land in getting them really fired up about educational reform and job training programs. Let me dwell on this for just a moment. Business has historically had vital interest in education, but during the 60's when redistricting and social changes were occurring in our country, and especially in our schools, the small business men and women across this country found a lot of downside risk in continuing to be involved in the support of public education and public training programs. Now the big businesses, the Fortune 500, if you please, have supported education and training throughout these intervening years, and our country is indebted to them. But the small business men and women during the turbulent 60's, moved out for a number of reasons: the turmoil created by those changes, the ups and downs of business required all of the effort and stamina that they had, and a whole host of other reasons. While they were moving out, the community-based groups moved in to fill the void or the vacuum. and that has been the shape of things until just recently Now we have renewed interest on the part of small businesses, but at the same time, these community-based groups have found a home—a power base, if you please. and they like it. So we have some conflict, but this kind of conflict or competition, as it sorts itself out, can only accrue to the good of our educational and job training systems of this country.

Putting Our Education/Training Systems in Perspective

I said educational and training **systems** of our country—let's look, now, for just a moment at these educational and training delivery systems that we have and let's put them in perspective. I would like to say at the outset that I am convinced that we have the very best system in the entire world. We may have lagged behind other countries in recent years, but we have dynamic programs of all kinds all over this great country and they are responding to the challenges presented by international competition, changing technology, and a lot of other things that are happening in our country, and indeed the entire world.

The largest of these systems is the public delivery system. The major subset is our public schools, which are guaranteed by our constitution. Our public school system has come under attack in the last couple of years with a lot of change occurring all across the country—all to the good.

Next is the private, non-profit system. It has historical roots in our country. It sets high standards, and its only reason for being is to be better than the public system and to offer an alternative.

Another delivery system is our military training programs which are very vital to this country's well-being—it's good, and it is improving.

Then, there is the free enterprise, or for profit, training programs and proprietary schools which are a constantly growing and important delivery system. Important to this nation, but absolutely vital to the businesses of this country.

Now there are some other fragmented training systems that are not as cohesive, such as the Department of Labor's programs, the Job Corps, the entire JTPA, and other specialized schools such as prison training programs. All are important—all play a vital role in educating and training for the growth of our country, and the retraining of older workers.

Now, why, you might ask, are all of these business organizations—the Chamber, NAB, NAM, CED, Round Table—so involved and so interested in educational and training reforms and programs of all kinds? There are a lot of reasons—some of them altruistic, but many of them very practical and bottom-line oriented. Let's talk about some of these reasons.

The Challenge Of The Drop-Out Student

First of all is the drop-out problem in our public school system. Over 850,000 students drop-out every year. The estimates run from 700,000 to a million. Our country can ill afford the loss of these potential workers or the price they ultimately demand in terms of support by tax dollars. This huge number of dropouts—850,000—adds to the number of illiterates in our country every year.

Let me give you some facts about this tremendous group of young people in our country. In cities like New York, Philadelphia and Chicago, the drop-out rate is over 40% per year. The percentages are unconscionably high for minorities and the poor. Since 1970, the drop-out rate for blacks has actually decreased nationally, while the rate for white students has edged up. Two-thirds of these students drop out because they have given up on the school as a vehicle for their success. They don't believe it will work for them because it hasn't worked all of their lives. Schools are for someone else.

The process of developing a belief that one has a small future is a long and painful one. Poverty helps. Inadequate parenting helps. Living in neighborhoods where people do have small futures helps. Teachers with low expectations help. Many of these drop-outs are affected by all of these things.

Experienced teachers can predict at an early age which students will most likely drop out. Students disconnect at an early age and the tragedy of this disconnection is that many people see it coming for years and no one does anything about it.

These drop-outs are also disconnected from work, and there are many ways that this can happen. One way may be physical—they may not live where there are sufficient jobs. Some youths, especially minorities, are trapped in the secondary labor market where jobs offer low pay, minimal or no fringe benefits, and little chance of advancement. Disconnection with work happens when young people lack the skills to do the available jobs. Many young people are just not interested in work—they have little ambition and their behavior keeps some employers from hiring them and forces others to fire them. Many flirt with the underground economy. A recent survey of urban black youth found that a third of them believed they could make more money "on the street" than they could in a straight job.

Research indicates that the most important contribution of school to the workplace may not be the academic skills and knowledge that students acquire, but the habits and values they unintentionally absorb. If this is true, then alienated students are in double jeopardy because they acquire neither the habits and values, nor the skills and knowledge that they need.

It appears that our present school systems are not working for these young people, and so we must develop new systems or alternative systems to give these young people the chance they deserve.

The Literacy And Skills Challenge

The federal government estimates that 27 million Americans are functionally illiterate. This translates to approximately one out of every nine adult Americans. It is within this group that we find the unemployed. The Business Round Table just released a frightening statistic that for every 1% increase in unemployment, our deficit increases by one billion dollars. We cannot afford to lose the vital contributions of a single American, let alone 850,000 a year, and our ability to survive depends on our making these 27 million functionally illiterate Americans productive or more productive.

These staggering statistics boggle our minds, and then, too, we recognize that we are facing unprecedented international competition. We now have a severe skills shortage in this country, and it will get even worse over the next ten or twelve years. The federal government estimates that in this decade alone there will be 17 to 19 million new jobs created—jobs that don't exist now—most don't even have job descriptions. These estimates indicate that 80% of these jobs will be in companies that have less than 100 employees—small businesses. Talk about challenges of the future—there are plenty.

The Challenge Of Demographic Changes

Another reason for the U.S. Chamber's interest in education and training is that our country is undergoing historical demographic changes. Today, 25% of the enrollment of our nation's public schools is of minority origin, and this percentage is growing—many of these children come from homes where English is only the second language, and sometimes a poor second. Think of the problems of training and assimilating this 25% into the work force of this country.

One other "new reality" of American education and training that I'll mention is "gray power." In 1983, there were more people 65 years of age and older than there were teenagers. From 1940 to 1990, the ratio of retired citizens is expected to go from 1 in 10 in 1940, to a projected ratio of 1 to 2 in 1990. In addition, there is the challenge and the opportunity of retraining mid-career and older workers in our country.

Now if you dwell on those statistics, you begin to get a sense of the tremendous challenge that we have in this country—of being competitive; of having enough trained workers; of decreasing, or at least stabilizing, the huge tax bite that must be expended because of poverty and illiteracy.

The Work Force Of The Future

One of the studies that we now have underway is trying to see if we are going to have enough people to man our offices and factories by the year 2000—especially if the economy continues to grow and if we are to maintain our international competitive posture. This study has serious implications for Mr. & Mrs. small business person in our country. If General Motors, for instance, needs 500 workers and can't get them, they have the resources to find and transport workers from Mexico or wherever, to house them and train them, and assimilate them into their work force. But a small business doesn't have those kinds of resources. They don't have the resources or the expertise even to train their workers, but our educational and training systems do have this kind of expertise.

There is growing concern in the business community that we must have more flexibility in all of our training and edcuational systems in order to respond first to the drop-out problem and also, at the same time, to those new jobs that are going to be created. We presently have many, many programs of all kinds—some are good, even great. Some are not. We simply must find ways to make all of these efforts productive in terms of training our youth for the world of work.

The Department of Labor (DOL) predicts that there will be enough people for the jobs—we in the chamber are not even sure of that. DOL economists say there well might be micro shortages, but that there won't be macro shortages. We read the same figures they do, and if the economy continues to grow, it is very easy to draw the conclusion that there might be a real net shortage of workers. This, of course, could dramatically affect our immigration laws as we as a nation struggle to meet the demands for a work force.

We are in a time of change and new ideas in our country. One interesting idea that seems to be regaining interest and momentum is that of developing a national youth policy. This has been around the horn several times in this country, and for a number of reasons, hasn't gotten off the ground. It has some interest in both parties now, and it seems to be an issue that would be attractive to the business community. I am not talking about universal military training, but it could have some

of that, or as an alternative, some other kind of national service for some period of time. The real opportunity, though, for a national youth policy, could be that the nation would have one more chance to channel those 850,000 drop-outs that I mentioned earlier into some kind of meaningful training programs that would lead to productive jobs. A national youth policy, of course, could mean job training and specific vocational training on an even larger scale. This idea might once again fall on barren soil, but if it should get off the ground, it will take a good many months and even years to get into gear. But it would be a time of great challenge to our training and educational systems.

Conclusion

Now, I have talked too long, but I appreciate your courteous attention. Let me wrap this up with a recap of challenges and opportunities to the businesses in our nation, as well as the educational and training systems of our country.

First of all, think about the challenge of those 27 million functionally illiterate Americans and how to train them. Consider those Americans where English is the second language and how to bring them up to par as far as speaking and reading English are concerned.

Next, business and industry must be more involved—it is in their own self interest to do so. Small businesses, especially, must recognize their responsibilities. They already are beginning to realize that to survive and be more competitive, they have got to be more productive. There has got to be a whole lot more cooperation between business and the schools, business and the JTPA, business and the proprietary schools. There has got to be more cooperation between public and proprietary schools, public and private, non-profit schools. This is difficult since there is still much distrust. Dialogue, however, cannot do anything but help. This cooperation and trust is difficult, yes, but possible in a few places here and there at first. It is already happening, and slowly gaining a general acceptance. But it all starts with dialogue and communication, and a willingness on the part of all to be part of the solution.

LINKING EMPLOYMENT AND TRAINING

Howard D. Samuel, President
Industrial Union Department, AFL-CIO
Washington, D.C.

I would like to congratulate the organizers of this conference for bringing together such a distinguished group of individuals, with the sponsorship of such a distinguished group of organizations, to discuss an issue of such pressing importance.

What this conference is dealing with is perhaps the most significant unmet domestic need facing our nation: full employment.

The Commitment To "Full Employment"

The first question we must ask is, do we really want full employment? Some of us in the labor movement have had some doubts about this supposedly national commitment—and for good reason. Those doubts reach back all the way to 1946, when Congress passed and President Truman signed a bill which was not called the Full Employment Act—as many casual observers still believe—but the Employment Act of 1946, minus the word "Full".

Thirty-two years later, another Congress passed and another President signed a law which rectified that omission—the Full Employment and Balanced Growth Act of 1978, also known as the Humphrey Hawkins bill. When that bill was signed, there were some in the labor movement and among the church groups and organizations representing minorities and women who supported the bill, who had real faith and hope that the United States had truly embarked on a new path, fueled by an honest commitment to full employment.

Subsequent events have proved all of us to have been naive. In terms of employment, the nation has seldom been in worse condition. We went through a recession deliberately designed to reduce inflation by putting people out of work—and it succeeded in its purpose.

For many workers and communities the recession, after five years, is still not over; there is an unhappy residue of almost 8 million officially unemployed. In the face of such intractable realities, there is a determined effort by economists and some government leaders to dispose of the entire issue by redefining it out of existence. Full employment, we are told, has now been achieved when the unemployment rate falls to 6-1/2 or 7 percent.

Let me make it clear that despite our dashed hopes and disappointments, we in the labor movement have not given up our conviction that full employment—real full employment—is a necessary foundation of our national welfare. It underlies almost every other goal of our society.

There is no way to achieve an end to discrimination unless there are jobs for all, regardless of sex or color or national origin.

There is no way to abolish poverty unless we can provide a job for everyone who wants one, regardless of a disadvantaged background or family circumstance.

There is no way to meet the new global international challenge unless workers are assured that there will be a new job to replace the old job lost to imports.

There is no way that workers can achieve job security, and an improvement in their standards and conditions, if the unemployed are waiting on the sidewalk outside to replace them in case of an industrial dispute.

No, we in the labor movement will hold fast to our commitment to genuine full employment—and neither Presidents nor Federal Reserve Board chairmen nor chairmen of the Council of Economic Advisors will ever change our minds.

Labor's commitment to a full employment economy underlies our approach to every aspect of our economic welfare.

We dislike inflation as much as anyone—but we don't think that unemployment is the proper way to fight it.

We appreciate the inevitability of technological change, and applaud the increased productivity it can bring—but we will do everything in our power to make sure that the integration of new technologies into the workplace will not result in unemployment.

We understand that our world is growing increasingly interdependent, economically as in every other respect, and we know that our nation must now be prepared to compete in a global marketplace. But we will not agree to fight armed only with the 19th Century weapon of comparative advantage when our competitors are using the 20th Century weapon of government intervention. The result can be deindustrialization and unemployment.

We know that our tax system must be designed to encourage the entrepreneurial spirit, which has helped build our wealth, but we will argue against tax privileges that drain away our ability to meet our needs and to assure a job for everyone who needs one.

Training Our Work Force For The Future

For us, as you can see, the war against unemployment must be waged along several fronts at the same time. Fiscal and monetary policy, international trade practices, domestic programs in support of those hard to employ, must all be geared to assure a full employment economy. Certainly an important element in this grand design must be a comprehensive approach to the educational need of our labor force. The labor movement has recognized the importance of proper training for years. In a number of skilled trades occupations, such as building and construction and the printing industry, apprenticeship and retraining programs have existed for many years—usually jointly operated by both unions and management, often with government involvement.

But those programs were developed and flourished during a comparatively unhurried period of industrial development. Recent years have presented quite a different challenge.

The history of industrial society has always been marked by change, but perhaps quite never so rapidly as during the last decades of the 20th Century. Newly industrialized nations have compressed into a few years the growth that it took the older industrialized nations a century to achieve and they are competing in every industrial sector. Invention and discovery, from the secrets of the atom to the mysteries of outer space, are being converted into new processes and new products which only our most imaginative novelists could have foreseen a few years ago.

The average working man and woman is often like a chip of wood in a raging stream, tossed roughly from one side to another by the forces of change which we find hard to understand and even harder to predict.

Traditionally, education and training have been seen to be the responsibility of government and of employers. But in the face of the accelerating pace of change—new technologies, international competition, deregulation—a number of trade unions have begun to include provisions for training and retraining into their collective bargaining agreements.

Innovative Training Partnerships

One of the earliest was the contract signed by the UAW and Ford Motor Company in 1982. The Employee Development and Training Program, or EDTP, developed in that contract is built on participative principles; and although it depends on a national umbrella of funding, encouragement and support, it includes a strong component of local participation and flexibility. Under the 1984 UAW-Ford agreement, it is expected that the company will be paying between 35 and 40 million dollars annually to finance the various programs for employee development and training purposes.

It should be recognized that the EDTP is more than just a training program to upgrade workers. It includes planning and counseling, tuition support for formal education, skills enhancement and even planning for retirement.

Two years ago the Communications Workers of America signed an agreement with AT&T, and with several other firms as well, which included education and training provisions to promote skills upgrading needed because of deregulation and technological change. The programs, which were estimated to cost AT&T about $35 million annually, include career and personal development training as well as job displacement training.

In 1982, in coordinated bargaining with General Electric and later with Westinghouse, a group of 13 unions led by the IUE initiated a program to help displaced employees find new jobs. The program

includes both job counseling and retraining assistance.

The 1983 agreements between the Steelworkers and the basic steel companies included a pledge that both company and union will work together to obtain government funds for the retraining of displaced workers. In a number of cases, the employer and union have used government funds to set up joint centers to assist laid-off workers.

Another innovator in this area has been the Service Employees International Union, which operates a national program for its members called Lifelong Education and Development, or LEAD serves as a catalyst to promote greater awareness of human resource development needs, and to institute specific programs of counseling and training.

These examples demonstrate a growing sensitivity on the part of many unions to the need to incorporate training and retraining provision into their contracts. The Industrial Union Department periodically surveys 100 major union contracts in as many industries. In our most recent survey published in December 1984, we found that 21% of the contracts provided rights to training for a new job.

These examples of trade union involvement are clear proof of labor's awareness of the importance of the issue, and give witness to the ambitious efforts of a number of unions to promote programs to meet the burdens of industrial change. But all our awareness and ambitions cannot endow the trade union movement with the principal responsibility in this area.

The Role Of Business And Government

Training and retraining, viewed in its most restricted dimensions, has always been and must continue to be a major responsibility of employers. The examples suggest that trade unions have an important role to play, which should be part of the collective bargaining process, but most of the burden for underwriting adequate programs rests with company management.

Training or retraining conducted under the auspices of business has an advantage over any other kind of institutional framework—it normally results in a job. Neither government nor trade unions nor private or public educational institutions can make the same claim.

Many employers recognize their responsibility. One educated guess, is that employers spend betweeen 30 and 40 billion dollars annually on training and retraining—about twenty times what is spent by the federal government through the Department of Labor.

But it is still not enough—particularly in these days of accelerated change. We are all aware of the fact, for example, that the typical employer reduces his training expenditures during downturns in the business cycles—which is just the time when training and retraining needs expand.

What about the role of government?

Federal, state and local programs, such as the Job Corps, government supported work programs and many of the retraining programs funded under CETA and JTPA, have proved their worth. Government has a special function in the training of the disadvantaged, those who are least likely to succeed. Despite some well-heralded abuses and inefficiencies, by and large the government's efforts have suffered the most because of underfunding. Various independent studies report that less than 5 percent of the people eligible for help under the JTPA Job Training Partnership Act are actually getting help.

In certain areas, government's responsibilities are clear, particularly in the field of education. We are all aware that the toughest challenge to a training program is represented by young people who have dropped out of high school. From early education up to and including community college, local, state and federal government must become more aware of the changing demands of our industrial society and institute programs to assure that the school experience meets those demands.

That means better early educational opportunities, especially for the disadvantaged. That means better equipped vocational high schools, with better trained and better paid instructors. That means community colleges which have access to state-of-the-art technology and teachers who can handle it.

Government incentives to employers to encourage training and retraining—assuming they could be designed to avoid windfalls—is an area which we should explore. Such incentives should aim particularly at making it financially attractive for managers to expand training and retraining in the face of economic downturns, when normally the first corporate response is to lay off all or

part of the workforce.

In the short run, to preserve bottom line profits and adequate cash flow, laying off employees during downturns may appear sensible. In the long run, in terms of preserving a stable and well-trained work force and building productivity based on security, laying off employees makes no sense at all.

Other countries, notably Sweden, have sought to overcome this anomaly through government incentives. It's time we did the same.

Conclusion

Labor, business, government all have a role to play in assuring that the workers of today, and tomorrow, are able to handle the tools of their trades. But education and training are not isolated goals, divorced from other aspects of the economy.

Earlier this year, I had the honor of serving on the President's Commission on Industrial Competitiveness, which reviewed all the issues which bear on the nation's ability to hold its own in the world economic arena. In its examination of training and retraining issues, the Commission took a broad view of the problem, and of the elements which must enter into a solution. Its first recommendation in the section on training emphasized the need for public policies designed to, and I quote: "Maintain economic growth. Reducing unemployment and expanding demand are primary incentives to employer investment training."

So I return to the theme with which I opened these remarks, that virtually all of our domestic goals depend on the achievement of full employment.

In a time of unprecendentedly rapid economic change, the management of our human resources takes on a significance it never had before. Education and training are key elements in a human resource program. But managing our human resources cannot be divorced from our broad public policies affecting employment.

Without a national commitment to full employment, and public policies established to achieve it, managing our human resources loses most of its cost effectiveness; a losing race against the inevitable, a dog chasing its own tail. I salute the sponsors of this conference; let us go forth and ring anew the bells for a genuine full employment society.

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EMPLOYMENT SERVICES IN A JTPA SETTING

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The Employment Service (ES) has been under attack and in decline for two decades. The decline began with charges in the early Sixties that ES was not sufficiently responsive to the employment needs of minorities, disadvantaged persons, women and youth. Whether the charges were completely accurate or not, two things happened. A human resources development (HRD) push took over within the Employment and Training Administration (ETA) and an effort was made to change the operation and image of ES. (Youth Opportunity Centers, for example were created.) At the same time, a number of programs were created under the Economic Opportunity Act (EOA) of 1964 that to some extent paralleled or duplicated ES efforts. The result was that resources began being directed away from the ES even as ES' use of resources came under great scrutiny.

EOA programs turned into the Concentrated Employment Program (CEP) in 1965. CEP became the Comprehensive Employment and Training Act (CETA) in 1973, and CETA evolved into the Job Training Partnership Act (JTPA) in 1983. During this period, ES continued to receive more assignments (migrant farmworker, housing inspection, work test for the Food Stamp program, administration of the Trade Adjustment Act), but ES resources continued to be cut. Today, ES resources have been so reduced that it is sometimes asked whether it would not be kinder to put the Employment Service out of its misery. Even so, the relationship of ES to the rest of the system remains problemmatic.

The Matter Of Turf

The term "turf" includes two notions: ownership and protection. Thus, when we speak of "turf fights" we are understood to refer to quarrels in which one agency is seen to be taking away from another that which the agency under attack believes to be its own. Certainly, we can characterize the periods of the Sixties and Seventies as a time of turf fights between the Employment Service and whatever employment and training program was current. While the fight was generally treated as a quarrel over "legitimacy", the true fight was over resources. And while there were those who hoped that cutting ES funding would drive ES into the arms of its competitors, there were others who observed that smaller bones make hungry dogs fight harder.

In fact, neither prediction has come true. The Employment Service still remains a somewhat reluctant partner, but much greater coordination between ES and JTPA is in fact occurring. The key to this greater cooperation has been less a result of reduced resources, in my opinion, than of the powers given governors and localities over ES budgets and programs.

Title V Of The JTPA

The struggle between ES and community action agencies (frequently referred to as CAPS—community action programs) became largely moot when CETA designated governors and locally elected officials the parties responsible for employment and training policy. JTPA strengthened the gubernatorial role vis-a-vis the Employment Service by adding to JTPA a Title V that amends the Wagner-Peyser Act. The Wagner-Peyser Act is the statute within our federal code that established in 1933 a United States Employment Service (USES) and authorized states to create parallel state employment security agencies (SESAs).

JTPA generally sought to accomplish three things: increase the ability of governors and legislatures to say how federal employment and training dollars would be spent; increase private sector involvement in the design and operation of training programs; and set the total effort in a "cost/benefit" framework. The Wagner/Peyser amendments are consistent with such an emphasis, giving to governors (and, potentially, legislatures) direct control over 10 percent of state Wagner-Peyser allocations, providing that PICs (Private Industry Councils) and localities disagreeing with local ES plans may contest those plans with the Secretary of Labor and offer to the Secretary alternative recommendations, and creating, at least in theory, performance standards that would provide states and localities a better basis for judging ES effectiveness.

While I believe the provisions of Title V are positive, I remain unconvinced that they do what was intended, that is: provide a workable basis for "partnership" between the two halves of our employment and training equation. **I believe, you see, that "new bargains" in this area will not be struck until we more pointedly define the role of the Employment Service, find a way of relating ES appropriations to ES performance, and get beyond ES reliance on the interview as the primary assessment methodology.** I say this because I believe these are the limits which the ES system itself is up against in becoming a more effective economic and social instrument. And it is the states that have both the authority and opportunity to make of ES an effective and willing partner, perhaps even a leader in employment and training policy and practice.

The Interview

The primary role of the ES has been seen in this country as one in which the applications of individuals seeking work are matched with job orders filed by employers seeking workers. The process may be automated or highly personalized, but in the end depends on the exercise of judgement by a particular placement interviewer. That individual attempts to predict from what he or she has read on the application form, picked up in the face-to-face interview, and knows about the particular job or employer whether the applicant sitting there is or is not likely to perform the job satisfactorily. If his or her judgement is correct, both employer and applicant will be pleased. If not, neither will. Yet, interviewing is a time consuming and inexact business.

Interviewing is notoriously time consuming, requiring that each registrant in an ES office must at some time speak on a one-to-one basis with an interviewer. Usually that entails a wait which may last for minutes or hours depending on flow. The interview itself may last up to half an hour or 45 minutes. The cost to an applicant may, thus, be several hours, while an interviewer may see as few as eight or nine applicants in a day and still accomplish no additional file search or job development.

Furthermore, interviewing is said to be only about 14 percent effective; that is, that a placement interviewer is likely to successfully predict job performance in only about 14 out of every 100 referrals. Employers don't do any better. It is not surprising. Applicants vary in verbal ability. Applications are frequently incomplete. An interviewer may or may not be familiar enough with a particular category of employment to understand the significance of jobs an individual has previously held. The contents of job orders are sometimes misleading, and the interviewers, themselves, have different levels of knowledge and perspicacity. Interviewers may also react differently to the sex, race, dress, and deportment of an applicant. The result, of course, is not only that the interviewing technique itself is necessarily subjective and, hence, relatively unreliable; it also means that neither applicant nor employer may be assured of equal treatment. Indeed, it is this issue more than anything else that has, in my opinion, caused friction between the ES and other programs: criticisms leveled against the ES system are immediately personalized to the individual interviewer.

Both the U.S. Department of Labor (DOL) and the individual SESAs have sought to deal with the problems of interviewing by applying massive amounts of training, automating files, establishing individual performance quotas, experimenting with group counseling, and prescheduling interviews. Still, as is so often the case with corrective action, the efforts applied may have been misdirected.

The Role Of The Employment Service

A recent tour of Germany, Sweden and Great Britain has impressed upon me that these countries vary in the way they view and use the Employment Service. Germany, like the United States, emphasizes screening; to the point, in my opinion, of screening **out** some qualified workers in favor of others. In Sweden, the interview appears to be a lengthy process in which the applicant is provided extensive knowledge of jobs available and assisted in deciding which of the available jobs might be appropriate and what sorts of preparation and/or support might be necessary. Great Britain provides the majority of job seekers in that country information only; job openings are posted on bulletin boards and applicants are allowed to pick the one to which they wish to be referred. Germany openly characterizes its employment service as representing the employer, Sweden engages in advocacy of the applicant, and Great Britain strives to remain neutral.

In this country, we state that the ES serves employer and job seeker equally. In private, ES professionals may argue that ES should represent employers since it is the employer that has the jobs, and JTPA representatives may insist that the only reason we have an ES is to

assist the unemployed, and, hence, that ES should advocate in their behalf. Unfortunately, it appears that in trying to please everyone, we have pleased no one. Nor is that the only confusion. The Employment Service, while identified as a universal service, is required to observe certain priorities among those it serves. Veterans, UI claimants, the disadvantaged, minorities, youth, the handicapped—all are entitled to some form of special attention. And it is unclear where activities such as foreign labor certification, migrant housing inspection, or even test development fit in employer representation or applicant advocacy models. The bottom line is that we have found it impossible in these United States to agree on what role we want the ES to play, whom it is we intend the ES to serve, or the product that we expect the ES to produce. The issue of "expected product" is critical.

The Fallacy Of Misplaced Responsibility

Traditionally, the Employment Service has assumed "placements" to be the product. Placements are not, however, achieved by placement interviewers. They are, rather, the product of interaction between a job candidate and a hiring official. What an interviewer may contribute to the process is at best a candidate whom he or she deems qualified. But what then is the product by which the interviewer may be measured? Is it the candidate? Or the judgment made about the candidate's qualifications? I assume it is the judgment. If that is the case, placements represent nothing more or less than an indirect verification of the interviewer's judgment. But what about those "qualified" candidates that an interviewer refers who are not hired? Or those referred and hired who do not work out? Is the one group "credited" to the interviewer's account while the other set is "debited"? The point is that "placements" are not an accurate or reliable indicator of an interviewer's performance, no more than are "phone calls answered" an accurate measure of an automated phone dialing system.

In the end, it would appear to be simpler all the way around if we left responsibility for hiring where it belongs, that is, with the employer, and limit ES performance to the production of relevant information, information related to an individual's qualifications and the kinds of jobs that are available. Unless, of course, an employer is willing to delegate to a local office of ES the full authority to act as hiring agent. The criteria by which production of information may be judged are not, however, the actions that may or may not take place as a result of someone's use of that information. The criteria are, rather, completeness, accuracy, and timeliness. But how can one relate the production of complete, accurate, and timely information to the kind of "cost/benefit" requirements set forth in JTPA?

Relating Budget To Performance

Because no one is ever fully pleased with the ES, there have been frequent and valiant attempts to make ES "accountable". DOL has sought to force programmatic accountability through performance standards, budget incentives, and service quotas. Unhappily, placements have figured prominantly in these measures. States have tried to create political accountability by moving SESAs into "umbrella" service agencies, making gubernatorial appointees of SESA administrators, and applying a variety of "contracting" schemes. None of these approaches has solved the problem of accountability, however, because none of them ultimately relates performance to budget. **We simply do not know what it costs to deliver ES services and, therefore, cannot identify the level of service we expect to receive when we apply a specific sum of monies.**

The problem comes in part, as I have already suggested, because we have identified "placements" as the product and cannot define what it should cost to achieve a placement (although we traditionally calculate that cost by dividing total ES personnel costs by the number of placements made). Of perhaps greater import, however, is the fact that we have failed to identify **units of service** to which we might reasonably attach cost data. We have not, for example, treated registration of an applicant, assessment, the taking of a job order, or maintenance of a job bank as discrete units of service or determined what the relative costs of each distinct activity might be as we have with the UI cost model. It is this failure—the failure to identify units of service to which costs may be attached—that has made impossible the relating of cost to performance. And yet without that sort of construct it has also been impossible for the Congress to know what it's buying with a particular appropriation, for states to understand just what it is they are allocating when they spread funds across a state, or localities to identify just what it is the local ES brings to a consolidated service plan. It seems to me that this facility to relate budget to performance is the sine qua non without which we cannot hope to negotiate or strike meaningful new bargains with the Employment Service. What that means, if my foregoing analysis is

correct, is that the creation of new bargains with ES will depend on the states' ability to define the role of ES in terms of individual products related to identified units of service which may themselves be quantified by cost.

Is there hope? I think yes. A part of the answer may already be in the hands of the states.

Validity Generalization

The hope to which I refer may lie in a somewhat arcane technology that goes by the unlikely name of validity generalization, or VG, for short.

VG is an automated technique by which states, or other users, can translate scores achieved on the General Aptitude Test Battery (GATB) into percentile ratings that rank an individual's potential performance in nine families of jobs. This technology, developed by the Southern Test Development Field Center on behalf of the U.S. Department of Labor, provides a tool, in other words, by which job applicants may be screened and their relative performance on a job predicted. The technology is objective, applied to all persons in the same way. A product in the form of a personal job performance profile is produced. And the cost is predictable on a cost-per-unit basis.

VG represents a means by which ES budget and performance may be linked for the first time. It also replaces the interview as the primary screening tool with a uniformly administered, objectively validated methodology. The product delivered is a printed piece of information of value to both applicant and employer. And the cost of producing the piece of paper is related to a separable unit of service.

Because of these characteristics, VG offers for the first time a market responsive labor exchange service separable from the other services ES may or may not choose to offer. It can be delivered at sites other than the ES local office (schools, establishments, other organizations). It leaves open the possibility for each individual to conduct his or her own job search using his or her own performance profile; (that is, job search and referral by an ES professional may or may not be desired). And it sets forth the possibility that ES services might be organized and offered to users on a fee-for-service basis. Since the service is "neutral", that is, of equal value to both applicant and employer, either employers or applicants may purchase the service; an employer, perhaps, to screen employees selected for promotion. The service would simply be there for whomever cared to buy. Even PICs that might want to know which registrants ought to be directed into a particular training program. This would solve, for once and for all, the accountability problem: if the service is good, people will buy it; if not, they won't.

Nor is this the end of the possibilities. VG, by creating a framework for offering unitized labor exchange services on a fee-for-service basis, raises the potential for private sector competition, and, thus, indirectly raises the question of government responsibility. Is it necessary, for example, for labor exchange services to be provided by a state agency? Or if a private agency is used, how will the state assure services for those who cannot afford them?

And what about financing? Currently, the ES mechanism is funded primarily by an employer tax applied through the Federal Unemployment Tax Act. Such a funding source will not likely be adequate to cover the expected demand that VG is creating. Moreover, an employer who has already paid a payroll tax is not likely to find an additional user fee to his or her liking. That suggests, of course, that extensive application of VG will require a rethinking of ES funding, particularly the manner in which a "fee-for-service" approach might be made consistent with FUTA.

And what about the financing of ES services other than assessment? Even should assessment be paid for primarily through user fees, how will creation and maintenance of a job bank be funded? Through employer taxes? Or could use of the job bank also be made contingent on a user fee? And what about such services as counseling? These questions are especially significant in light of OMB's devolution proposal which would give to states authority to collect and expend UI tax revenues.

Certainly this set of issues related to the Employment Service gives to states significant opportunity to effect change in an area of longstanding dispute. And perhaps my remarks to this point are tantalizing enough that I should leave off. I would if this were not a conference on striking new bargains. Instead, let me close by talking a little bit about where I think the future may be taking us with respect to employment and training services.

The Future

There are three phenomena that suggest employment and training services will be in greater demand toward the end of this century and the beginning of the next with, perhaps, labor exchange services leading the way.

First, **the growth of the U.S. labor force is expected to decline even as a billion new workers enter the Third World labor force in the next twenty-five years.** This phenomenon is likely to create strong competition for jobs, put downward pressure on wages and, thus, increase competition for the good jobs this society can produce.

Second, **the development of new production technologies will require the frequent retooling of existing companies and stimulate the growth of new companies.** The result is likely to be stronger competition among employers for skilled workers and an increasing need among individual workers for retraining.

Finally, **it appears that the primary growth of new jobs in this country will be in establishments of less than 100 employees,** precisely those companies that have the most limited capacity to announce openings and recruit workers. That fact is likely to be evidenced in an increased demand for labor exchange services.

These phenomena would appear to make a strong argument for a continued labor exchange process, a process that would make available to applicants and employers alike information about who is available for work and the jobs that are open. Because "skills" will be in demand, but the employers, being small, will be unlikely to have their own assessment capacity, the demand for assessment services is likely to grow. And because competition for the high wage jobs is likely to become ever more fierce, both the need to know what jobs are available on an immediate basis and the requirement that the applicant act quickly will put increased pressure on the labor exchange agent to get out of the way and leave the hiring process to the applicant and employer. The bottom line is, in my opinion, that ES will be pushed into a service mode that is made up of two fundamental functions: assessment (that is, VG) and a job information service (JIS). The JIS has been operated in this country by microfiche for a decade or more. A similar system is now employed by Germany while Sweden uses an automated system. Great Britain uses teletypes to produce hard copies that may be posted on bulletin boards. I myself would argue for either the British or Swedish systems simply because the updating and mailing of microfiche necessarily involves time lags and assures a file that is continuously out-of-date. But the point is that it is these two services—**applicant assessment and maintenance of a complete, accurate and timely job bank**—that will, I believe, comprise the basic functions of the ES of the future. The product of both is **information**, exclusively information, automated or not. Interviewer screening and referral control will go. So, too, will the "masking" of job orders. Indeed, the provision of service may eventually include banks of phones by which individuals may make their own appointments. And I even find it within the realm of possibility that individuals—either applicants or employers—may, on the basis of VG accuracy, be willing to "hire" the ES as "agent", thus taking ES back into a representational or advocacy mode but on an individual contract basis.

Conclusion

But before we get too visionary, we need to come back to where we find ourselves now. At the present time, the Employment Service continues to rely on the "interviewer" for production, continues to measure effectiveness by placements, continues to treat its array of services as a monolithic whole inseparable forever, and continues without means by which it can reasonably relate budget to performance.

I hope I have made clear that states **can** change this situation and have identified at least one tool they can use to begin. If I have managed that agenda, I am pleased. Good Luck!

EMPLOYMENT AND TRAINING: A DELIVERY SYSTEM AT LAST

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Employment and training volunteers and practitioners live in interesting times. We stand at a moment which may, in retrospect, be viewed as a watershed in the development of public policy in our field.

My remarks today are directed at the role the employment and training system can play in our society at each level—national, regional, state and local. The term "system" is used here unreservedly. It has too often been used in the past to describe what can only be termed a loose aggregate of partially related elements whose interaction might or might not produce a response directed at policy aims at any level. I will attempt to point out how things have changed in our employment and training delivery system and the strengths and weaknesses in that system and suggest ways to improve the principal ingredient.

Investing In The Labor Market System

We have heard already that the economic well being of our society is dependent, in part, on the efficient operation of the labor market and the effective, productive use of the available labor force. The labor market is integral to our economic environment and equally as important as the physical infrastructure—roads, rivers, bridges, and power—in which our government, at all levels, has a substantial capital investment. A comparable public capital investment in the labor market infrastructure, however, has not been made.

Congresswoman Marcy Kaptur of Ohio, along with Connecticut's Congresswoman Nancy Johnson, recently pointed out at a Congressional hearing that the "U.S. commits nearly $50 billion each year for tax incentives for plant and equipment, modernization and research" compared to less than $1 billion for training incentives.

Why the substantial difference?

In part because there has not been, until recently, an effective means of applying a larger investment. The system did not exist. We are all aware that it has been more than 50 years since the Federal government first established a policy of intervention in the operation of the labor market and created a vehicle, the Federal/State Employment Service and Unemployment Insurance network.

With the passage of the Full Employment Act of 1946, the Federal Government first established a policy which permanently recognized the government's responsibility in providing training and opportunities for those seeking jobs. The alphabet soup followed: MDTA, EOA, EEA, CEP, CETA.

The history of public involvement in employment policy is marked by a curious dichotomy. Where the government has elected to annunciate a general policy it has not, until recently, established a vehicle to accomplish that policy. Where public attention has been drawn to the solution of particular problems, the response has been the establishment of a particular institutional vehicle to produce individual solutions without necessarily enlisting the support of other institutional actors in the society. The result has too often been an overlay of discrete programmatic efforts to solve a variety of labor market problems. At best there has been only pious language urging cooperation among the institutional elements with an interest or stake in the solution.

Impact of JTPA

The passage of the Job Training Partnership Act of 1982 changed this pattern in a way that is even now insufficiently appreciated.

We need no longer make apologies for employment and training. It is no longer "a bewildering array of programs at cross purposes." This painful characterization has prefaced nearly every treatise on the subject over the past twenty years. The JTPA delivery system works and, considering its young age, it works well.

Indeed, we can now commend this system to our brethren in the economic development and vocational

education fields as an effective tool for assisting in coping with problems which arise from our national economic shift from goods production to service production: changing world trade patterns; and the rapid pace of technological change.

There are at present significant limitations in many of our strategies for promoting economic development and dealing with economic changes. On the one hand, we have the shotgun approach, providing assistance, through tax expenditures or otherwise, to all industries meeting certain general criteria. This can result in rewarding industries and firms not needing assistance at the expense of diluting the level of assistance available to those firms that do, while at the same time diminishing the cost effectiveness of the public investment.

On the other hand, we have expended substantial resources and effort in economic development directed at luring existing firms to the next county or the next state, coupled with public relations campaigns directed at extolling the virtues of one area to the implied disadvantage of another. How much of our public investment in economic development consists of scooping a bucketful of water from one end of the pond and dumping it into the other?

A comparable investment in human capital through our employment and training system can raise the level of the whole pond. Moreover, it is eminently targetable. Each state and area can decide how the investment should be applied to produce results best suited to local conditions and needs and where these issues can be plainly seen. Because the investment benefits the workforce and thus the citizenry in each state and area, no part of the investment detracts from the benefits which may accrue to another. Nor can the investment be exported to developing countries with lower wage structures. Finally, the system as a whole, as the National Commission for Employment Policy has observed, can be tuned to achieve national priorities.

The National Commission for Employment Policy also recently pointed out that "The JTPA delivery system is remarkably responsive to priorities set at the top." There are several reasons for this: reasons which also provide for similar responsiveness at each level of the system. They are:

- The national network of Private Industry Councils and state Job Training Coordinating Councils involves the business sector and other centers of community leadership in a substantive role not possible before, and it is done with elected officials being equal partners. The PICs now constitute a responsible and responsive decision-making network rather than a loose advisory structure.

- The JTPA provides for a new and expanded role for states to act through job councils, not as agents in execution of a strictly federal program, but as principals in setting and carrying out policy to address unique state or local needs in concert with the attainment of federal priorities.

- Recent changes in the Perkins Vocational Education Act and Wagner-Peyser Act draw into the system the participation of other elements of governmental response to employment and training issues. Some states are actively investigating explicit linkages to other systems such as education, welfare and unemployment insurance.

- In addition to the decision-making network, we have a professional, performance driven institutional network in our service delivery areas, with a proven capability for dealing with a variety of labor market problems.

Local Labor Market Planning

It is clear that a comprehensive employment policy requires a local structure capable of providing coherent labor market planning, coordination and oversight and that our PICs provide this. In more progressive states, the PICs have already expanded their vision beyond the narrow bounds of job training through JTPA. Some now serve as true regional labor market boards with the knowledge and authority to orchestrate the full range of a community's public and private resources.

In Massachusetts, for instance, the SDA/PICs are involved, thanks to a progressive state JTPA Administration, with not only Title IIA and B and Title III, but in delivering services through state departments such as welfare, housing, refugees, the Bay State Skills Corporation, etc. Guidelines are being prepared right now that will provide a single, standardized package for joint JTPA and the employment service plans for next year. Imagine, one set of definitions; one timetable for each local unit.

The idea of Private Industry Councils acting as labor market boards for purposes of intervention in the labor market is not new. Bill Kolberg of NAB, among others, has promoted this European model for years. Bill compares the potential of this network of PICs to the demonstrated success of the United Way in eliciting the cooperation of the entire community to solve common problems.

Nor is involvement of business in human capital investment a new concept. The human resource development capacity of the private sector has grown enormously over the last generation. One recent estimate suggests that the private investment in training exceeds our total investment, both public and private, in higher education.

The American Society of Training and Development estimates that $15 to $30 billion per year is spent by employers to train their labor force. And they say additional incentives are required to encourage a greater commitment to job-related training.

The human resource development (HRD) capacity has also grown in sophistication, professionalism and effectiveness. It is market driven and requires bottom line results. The tasks performed in our public employment and training system are in many ways related to private HRD efforts—training, counseling, decent outplacement, etc. Much can be learned by our system, and, more importantly, the PIC can help transfer large company HRD expertise to medium and small size businesses which can not afford a separate capacity.

To continue in this direction, PICs must be provided with technical assistance in examining and changing their planning systems and institutional relationships. They must also have help in exploring alternative models.

Local Partnerships

The foundation of the new partnership at the local level is the PIC/Local Elected Officials Agreement. It defines roles and responsibilities. Since it ultimately determines who administers the program, among other vital policies, it must be a living document, capable of being modified and amended.

Elected officials are equal partners with the PIC. We must therefore guard against discontent, or even worse, disinterest on the part of some city and county mayors and managers. Since they ultimately are held accountable at the ballot box for the success or failure (liability insurance notwithstanding) of their regional program, it is essential to maintain their interest and knowledge. They can not abrogate responsibility or simply refuse to negotiate with the PIC if the system is to flourish. Continual updates of information are essential to keep elected officials knowledgeable.

As for the Council itself, private sector volunteers are definitely more involved in JTPA than any previous manpower effort. And the new decision-making role has not only enfranchised business and industry representatives but a wide base of community leaders including, I might add, our community colleges. If we expect them to devote considerable time and effort into making the employment and training system work more efficiently, they must be encouraged, trained and nurtured.

In addition, the make-up of the Council bears watching. Too often we hear reports of top officials from business and industry leaving the Private Industry Council only to be replaced by personnel officers or lower level staff from within the same company. We must maintain parity between elected officials and business officials. To the extent the Council maintains the respect of those involved, it can effectively marshal the resources and draw forth the sustained effort needed to accomplish its mission.

The partnership between the PIC and elected officials has not always been a smooth marriage, and in a number of cases serious tensions exist between PIC members and SDA administrators. It has been difficult for many directors to learn to work with a board of directors. On the other hand, many PICs continue to dabble in the minutia of day-to-day operations, losing sight of their critical strategic planning responsibilities.

Finally, the PIC and elected officials have an opportunity to provide leadership in a new direction. For fifty years, control and leadership in employment and training policy and program innovation has rested with the federal government. With little opportunity for substantive involvement, few state legislatures evidenced more than passing interest in local job training projects. The enactment of JTPA opened the way for a wholly new alliance: a cooperative pact between the Executive Branch and the Legislature that can transform the character and capacity of the system. In some cases this may, unfortunately, result in the Legislature vs. the Governor.

But active PICs, working through state and regional associations, can take leadership in producing thoughtfully crafted legislation in which job training becomes an integral part of a state6s economic growth strategy and not merely an isolated by-product of Federal legislation.

Recognition Of PIC Members And Staff

The demands made on PIC members are occasionally far greater than some individuals or their companies had foreseen. This can result in rapid turn-over. We provide companies with tax credits if they hire and train the economically disadvantaged. Why not consider some form of tax credit for employers that volunteer significant time to PIC activities in a given year?

Elected officials and the PIC set policy and do planning and evaluation. It is the administrative and operational staff, however, that carry out the plan. We must maintain a cadre of qualified professionals that possess certain basic characteristics:

- A broad understanding of employment and training issues, including the functions of the labor market and the delicacy of the public/private partnership.
- The ability to articulate these issues and marshal a consensus at both the state and local levels.
- The ability to draw in all the resources needed for a strong delivry system: financial resources as well as institutional and individual involvement.
- Comprehension of the legislative process at all levels of government and being political in the best sense of the word: that is, serving the public interest as broadly defined. They must understand where the public interest and private/business interests coincide to be able to harness them effectively toward common goals.
- Receptiveness to guidance from the PIC and the business sector. PIC oversight of public employment and training professionals can provide the "bottom line" feedback which is universal in the private secotr but often lacking in the public sector.
- A sense of balance between the process and the product. In order to accomplish the mission just outlined for the employment and training system, it is necessary to strike a delicate balance between creative use of the resources available and the need for involvement of the entire institutional community, while, of course, keeping an eye on the fundamental direction of the system. The balance which is struck will vary according to the particular environment. Those who are wedded to the old prescriptive method of strict guidelines and "canned" programs will be lost.
- Lastly, good employment and training professionals never lose sight of the fact that they work for people who need jobs and training, and support servvices. They keep this in mind and impress the fact upon both the public and private partners. The day we forget the recipient of publicly-funded job programs, we will all be in trouble—ala the 1960s.

These are qualities required of today's employment and training professionals, whether with JTPA, economic development or voc ed. The question at hand, however, is how do we maintain competent staff and foster the growth of this field of endeavor?

The Need For Staff Development

Too often fundamental capacity building has been sacrificed to the challenges of coping with policy shifts and reorienting delivery approaches. While the employment and training policy commitment has been consistent over the years, both the levels of resources dedicated to the effort and the approaches to delivery of services have changed frequently. As a consequence, a stable and professional system committed to achieving the policy objectives has evolved fitfully. There have been backward steps nearly as frequently as forward ones.

What is needed are organizations at state, regional and national levels similar to the New England Institute of Human Resource Planning and Management in Bangor, Maine or the Applied Institute of Manpower Management in Baltimore, founded in the late 70s under CETA. When the U.S. Deparment of Labor removed itself from the job training field at the end of CETA, federal funds for staff

training disappeared and so did NEI and AIM, for all intent and purpose.

These two organizations and other state and regional institutes believed that the capacity to effectively and efficiently deliver employment and training services presupposes the existence of highly complex, mature and adaptive organizations. They insisted that it was worth a substantial investment to combine experienced practitioners and academicians along with management and labor to craft employee and systems development programs which truly meet the rigorous demands of policy. We need that national commitment again.

To fill the vacuum that exists in management training, my association, the New England Training and Employment Council, Inc. has been providing, on a regional basis, a series of what we call Task Manager Workshops: individual sessions for planners, fiscal officers, MIS specialists, communications specialists, job developers, counselors and others. They meet at a day-long session for each discipline, where technical assistance is offered to enhance performance and training of skills, concepts or attitudes. The means for the individual to network with peers in other agencies and from other states is provided. These Task Manager Workshops have given middle management and line staff an opportunity to become active in areas previously available only to executive directors.

Another technique used more often these days is staff retreats. There was one last month in New England which involved five SDAs. Over 130 individuals exchanged ideas and concerns. It was a hugh success and the administrators were listening.

This may not be the time for full credentialing of employment and training professionals similar to our colleagues in the field of economic development. We must, however, provide opportunities for career development and incentives to stay in the field; special courses, retreats, IPA exchanges and interships. Staff must feel ownership of this exiting new partnership.

Conclusion

We finally have an effective local employment and training delivery system. Strengthening the role of the PIC and elected officials and the career development of staff represent a road toward effective integration of employment and training policy into our national life as a part of our commitment "to serve the common good." We have traveled further down this road than is commonly acknowledge. As we near our destination, I am sure we shall find companions in economic development, education and human services to help us along the way.

The Humphrey/Hawkins Act states in part:

> "Congress declares and establishes as a national goal the fulfillment of the right to full opportunities for useful paid employment at fair rates of compensation of all individuals able, willing and seeking to work."

The goal of full employment is a desirable policy. To realize this goal an economy must experience the requisite growth to create employment opportunities and must equip its labor force with the needed skills and abilities to ensure effective job performance and access.

We have the mechanism to do the job—the State Job Training Coordinating Councils—and the decentralized system through labor market boards we call PICs, and we have highly motivated staffs.

Who knows if it is finally possible to eliminate poverty, ignorance or lack of productive employment from our national life. But the fact that the challenge has been accepted and a working instrument forged leads one to feel that the drafters of the Full Employment Acts of '46 and '78 were not dreamers but doers according to the American tradition.

OHIO'S RESPONSE TO THE EMPLOYMENT AND TRAINING CHALLENGE

Honorable Richard F. Celeste
Governor, State of Ohio

Thank you very much, Dr. Steinbacher. I want to say how much I appreciate that introduction. I'll let you travel with me wherever I go and belt it out regularly. To President Nolen Ellison, it's a pleasure to be with you and I do want to repeat the appreciation which Dr. Steinbacher expressed, not only on behalf of all of the people who are here, but all of us around the state who feel especially proud of your leadership and the institution which you lead—Cuyahoga Community College. I'm delighted to be able to participate in this important conference which you have organized.

Roberta Steinbacher spoke of a mandated marriage. That may overstate the case a bit, but I'm sure the influence of living four years in India, where arranged marriages are certainly the rule rather than the exception, rubbed off on me a bit. As a matter of fact, on my most recent trade mission to India, I was struck again by the virtues of arranged marriages. As a father of six it may be that I'll become an even more serious advocate of arranged marriages down the line.

In any event, I am excited to be here this evening to help put the final punctuation at the end of this very exciting discussion and dialogue on the subject of Striking New Bargains.

Thinking Strategically About Ohio's Economy

What it means to think in strategic terms and act in strategic ways with respect to employment and training is a tremendous challenge as we look at the economic arena in which we live and work these days. There is no question that we live in changed and changing times.

That's a simple statement to make, but I'm not sure that any of us fully appreciates all of the implications. I had an opportunity to reflect on that thought on a trip from China to India to Austria and back home, and I was struck by the notion that there have been different kinds of rhythms at different stages of economic development in a state like ours and in a nation like ours.

In this state, which we are fond of saying is at "the heart of it all," we were certainly at the heart of it all in terms of the agricultural revolution, which saw an enormous increase in productivity generated as land grant colleges developed an ability to take the newest in research and make that available in practical ways to our farmers. In those days the economic cycle was seasonal. What you had to look forward to was basically seasonal challenges.

Then we were at the heart of the industrial revolution. Toward the latter part of the last century and for a good part of this century, Ohio and this part of the country have been right at the center of what's been happening in industry, and there the economic rhythms have been cyclical. Economists still are trying to figure out how our recent experience fits into those cycles which were pretty well described over a 60 or 80 year period.

My hunch is they'll never figure them out, because we no longer live in a period of cyclical challenges. What we confront are sustained tests of our economic system. Global competition and technological changes aren't going to go up and down and up and down, they are going to be constant realities that shape the arena in which we have to perform, and how we perform and how we compete.

Our success in that global arena will be measured by our ability to reshape our many established institutions and how we respond to constantly changing economic forces. That is the test of business leadership today, that's the test of labor leadership today; that's the test of public leadership today; and it's a test of educational leadership today.

Part of what we do when we talk about thinking strategically is provide an opportunity to step back from today's specific phone list and today's specific set of headlines to try to look, way down the road practically, realistically, and clearly for as far as the eye can see.

That is absolutely vital in order to be successful in our endeavor.

Building New Partnerships

I believe in the last several years here in Ohio, what we've done at the State level is to build on our partnership with business, with education, with labor, with industry and with local government in a very constructive fashion in the area of employment and training. We have put together one of the strongest programs of its kind anywhere in the country. I am very proud of our success and our inventiveness in that endeavor.

I would like to point out two examples of inventiveness that I think deserve attention and pride and from which I hope we can learn a great deal. We've established a Dislocated Worker Loan Fund. This provides educational loans to people whose credit rating has been destroyed by lack of a job. We started this program about 18 months ago—without creating any new bureaucracy—making it easier for people who need help to get it in a hurry.

This program piggybacks on our very successful state operated Student Loan Program. So far we've helped 120 families under this program. My guess is that those numbers are largely limited by knowledge of the program, awareness of what's appropriate and not as much by access to it. We need to learn how we can take better advantage of it, but I point this out as a program unique to the State of Ohio.

A second area in which we are pursuing inventive effort is called Ohio Works. We established this program using general revenue funds. Companies in the private sector have hired welfare clients at less that the company's usual cost of hiring. The company pays no training costs and receives tax credits. In return, welfare clients get entry level jobs in the private sector and obtain proper training provided through the aegis of Ohio Works. They also get a sense of independence and pride, of course, from those private sector jobs in which they're hired.

Success Of JTPA

Let me offer some observations on Ohio's success in training workers and administrating JTPA funds. I begin with some specific personal illustrations, and many of you who provide leadership for our P.I.C.'s could provide a host of personal examples yourself.

A laid-off steel worker in Montgomery County who was out of work for three and a half years is now completing a course in heating and air conditioning and plans to start his own business. A 26-year-old mother of two from Dayton lost her husband last year. She's on welfare, but is now taking computer programming classes.

In Youngstown, a woman with three small children lost her job as a clerk typist, but with the classroom training she received through JTPA, is now employed as a travel agent. These are three people out of many who will tell you that Ohio is working.

Two-thirds of the unemployed people trained under the Title III Program in the past year have found work. More than 1,300 people have been placed in permanent jobs. That's 1,300 people who no longer need state assistance; 1,300 people who contribute to our work force and our tax base; 1,300 more people who are proud and confident of what they can accomplish as citizens here in Ohio.

If I would pick the single ingredient which is responsible for those successes we've achieved in the arena of employment and training, it is a commitment to team work and the fact that we have all worked together.

I'll give you just one example of the kind of cooperation which I think is both remarkable and essential. A General Motors plant manager in Northern Ohio called the president of North Central Technical College one Thursday and said, "We need a retraining program for 73 workers by a week from Monday or we're going to be forced to lay them off."

Your colleague, President Byron Kee, put together the program, started training the workers while they remained on the GM payroll. A few weeks later they were back in new, secure jobs. That's cooperation, and there are countless examples of that kind of cooperation. I believe that it is the kind of cooperation which will continue to characterize the success we have enjoyed in Ohio, and help people to understand why we are a leader in training and employment programs.

Future Challenge: Youth Employment

We still face a number of challenges. Thinking

strategically is one important way of looking at those challenges. I would like to offer a sense of some of the things about which we must think strategically.

I want to begin with what I consider to be the most urgent challenge in terms of the human price that is being paid—that is youth employment. If I were to pick one place where I believe we have to come up with some kind of an effective major initiative for the next five years in this state, it would be a commitment to youth employment opportunities.

We simply must find a way in Ohio to meet the challenges of preparing our young people for employment, and providing employment opportunities for them. I would like to see Ohio provide leadership in this area.

Obviously there's a place, an important place, for training programs which teach specialized skills; but in some respects when a young person has that experience first out of the box, it can almost lead them astray. By that I mean, there are some young people who drop out of school because they have a job. Maybe they're bored in school anyhow and so there they go. That's fine as long as the job lasts. But, if that young person didn't get a diploma, if that young person didn't finish up those basic preparations needed for a life in the work place over the long haul, then that young person is at a tremendous disadvantage.

We need to put before our young people, in an effective way both inside and outside of school, the importance of learning basic skills—in reading, in understanding math and science, and communication skills. They will need these skills in order to be durable in the market place for jobs over the period of a lifetime of work. It is also important to develop a strong attitude toward work. This is vitally important because without that a person is going to be very severely tested in terms of their ability to get and hold a job.

The problem as you know is severe. The national youth unemployment rate is nearly 20 percent and for young blacks in this state, and around the country, the rate is at least double that.

What concerns me most is that there is a widening gap between youth and adult unemployment. If you look at the progress we've made over the last three years...and we've made progress putting people back to work...what you find is that progress is primarily with employees who are 25 or over.

How do we approach a challenge like this? What are the ingredients of some kind of long term solution.

It begins by an all out effort to keep young people in school. Actually, I really had this concern brought home to me as we began our discussions in the office about the back-to-school campaign this September. How are we going to welcome people back to school?

It occurred to me that part of our attention has to be focused on encouraging young people to stay in school. I know from talking to my own children that when you ask how things are going in school the most damning phrase that you can get back is "boring." For some people it goes far beyond boring. They just cannot see in their experience the value of education.

We have to express to young people as clearly as we know how, the importance of a diploma as the first key ingredient, not a guarantee of a job, but a key ingredient.

Last year high school dropouts had an unemployment rate of more than 12 percent. Of those with a diploma, it was 8 percent or a little lower. We also know that dropouts consistently make less money than high school graduates when they do get a job.

We have a generation now which sometimes does not see the same commitment to working and getting ahead that we do. Too many times they start their family too early, or they get hooked on drugs or alcohol, or they're living with only one parent. Figures show these students are less likely to finish school partly because pressure will be on them to help support a family.

All of these problems change the chances for success into patterns for failure. We can identify what it is we have to address. We don't have clear answers.

A Commitment To Employment And Education

In Ohio, there are several good programs aimed at keeping students in school. We need to look at these programs, learn what we can from them, and fashion distinctive programs in school districts around this state.

One example is called "Jobs for Cincinnati Graduates." Counselors work with high school seniors,

matchings their skills with employers and encouraging those students to finish school. After two years of this program, more than 90 percent of the students have jobs.

Our second approach has to be to protect and improve our basic public education. High-quality basic education in this state depends on adequate school funding. Funding must be adequate to attract and maintain qualified teachers and to provide needed equipment. We've made substantial progress in this regard here in Ohio over the last few years.

In the current biennium I believe we've finally said as clearly as we've said in a very long time—Governor, legislature, all concerned with public policy—we will make education a top priority. Now more than $.70 out of every new state dollar is going into education. But as we make that investment we also have to be concerned about the quality of the investment and whether it is reaching the young people who need it.

I happen to believe that a commitment to excellence in education is not a commitment to elite schools. It means challenging each young person to do their best and having the resources to mount that kind of challenge.

This commitment has to start early because students who fall behind early are the students who are most likely to drop out.

I know that JTPA Ohio is having a fall conference in mid-November. At this conference we are going to honor some outstanding youth leaders and recognize successful youth employment programs. I think that's important, also, because it's essential that we say to those who are doing well, we know you are doing well and we respect that contribution.

That conference is also going to feature two youth-oriented workshops. In addition, we are developing a youth employability resource center for this state. It will assemble information about youth programs and put together a technical assistance team on these programs so that resources and dependable information are available to all of you who are working at the community level across this state.

We have a lesson in youth employment that is the same lesson that is to be learned in looking at adult retraining programs and that is, how do we focus responsibility, how do we make sure that each of us is doing our share without passing the problem along to somebody else? Part of that strategic planning process is the need to identify who is responsible for accomplishing what part of an overall effort.

That is why a commitment by all to put resources together and identify where those resources can be best used is so important. That is why cooperation between the Governor and the legislature, between us and state government and local government, is a key responsibility, and why cooperation between the Bureau of Employment Services and the Department of Education and the Board of Regents is so critically important.

That is why cooperation and team work between those who are involved in the public sector—whether it's in government, or education—and private sector leadership is so important. We must say to each other we will play our part as team members and we won't ask how we can pass the responsibility on to somebody else.

By the same token we will commit to share our resources—dollars, people and leverage—that we have in ways that will work. Only then can we be successful at meeting the tremendous challenge of employment and training.

Top Priority: Jobs

I think you know that I really have three overwhelming priorities as Governor—jobs, jobs and jobs. Everyone has heard me say that on several occasions. We have made strides in terms of providing those jobs for our citizens.

The fact is that more than 30,000 people have found new jobs since the beginning of the year, and more than half-a-million more people are working now than were working the day I took office in January 1983.

To provide and generate jobs for the future, we've staked out a fresh approach to economic development that tries to relate to the constant challenges we face. To bring together new technology and our basic manufacturing skills we move through the vehicle of a Thomas Edison Partnership Program. We emphasize the development of our human resources by virtue of our investment in education and our commitment through employment and training.

Each time we seek to stake out new territory and act in that territory, it requires us to strike new bargains.

As we build skills at striking these new bargains, I'm optimistic that we will be able to insure our people the opportunity to work. That is no small challenge. There is no simple answer, and the challenge will go on for as long as you and I are willing and able to confront it. But James Russell Lowell said it best when he said, "Failure is not a crime, low aim is a crime." I want us to aim high here in Ohio. Thank you very much.

BUILDING NEW SYSTEMS IN THE EMPLOYMENT AND TRAINING ARENA

Howard V. Knicely, Vice President for Human Relations
TRW, Inc.
Cleveland, Ohio
Chair, Ohio Job Training Coordinating Council

Good morning. I am pleased to welcome you to the first panel discussion of the day on the subject, "Creative State Approaches to Partnership Building." Our three panelists, whom I will introduce to you in a few minutes, will each speak for twenty minutes or so, after which we will respond to your questions.

Before introducing our panelists, allow me to set the stage for this morning's discussion by analyzing briefly two major questions related to the panel topic:

- What is the nature of local partnerships and system-building?
- What is the state's role in fostering local system-building—what we are calling the "creative partnership"?

Local System Building

You are all familiar with the extreme fragmentation that characterizes employment and training in this country at all levels of government. We do not have a system; we have a multitude of systems, and the twain certainly do not meet. We have the many pieces of legislation with their separate funding conduits; the numerous governmental entities that plan, monitor, and operate employment and training programs; and the myriad governance, policy-making, and advisory bodies. Even professionals in the field have a difficult time making heads or tails of this non-system. And business volunteers all too often just throw up their hands in dismay and resignation.

In this context, the oft-heard call for integrated approaches to economic and human resource development rings somewhat hollow. After all, attempting to link one non-system to another non-system is almost an impossibility.

But my task today is not to depress you this early in the morning of what will surely be a fascinating and useful day together. I am cautiously optimistic, as they say these days, about the prospects for system-building in the employment and training arena. In my opinion, the action will basically be local—and PICs are ideally positioned to take the lead in these system-building efforts for the following reasons:

- They represent most, if not all, of the significant organizational actors in the local employment and training arena; and,
- They are encouraged by law to develop strategies and plans for the total local employment and training system.

It is obvious, I think, that if they are to play this leading role in building more cohesive, comprehensive employment and training systems that encompass all resources, PICs must take a more strategic approach to their planning. They cannot just rely on the operational planning processes involved in managing only JTPA. Instead, they must:

- Understand the total local employment and training environment—both needs and resources.
- They must invest the time to identify issues that go beyond JTPA and cut across various local systems. This is not an easy task.
- They must formulate strategies to deal with these cross-cutting issues, which require building partnerships and intersystem linkages.
- And they must create new processes to manage implementation of these cross-cutting strategies.

All of this is to say that they must be about the business of "Striking New Bargains" in their SDAs. The barriers to assuming this leadership role are, as you well know, significant. Many PICs have been understandably consumed by the demands associated with getting JTPA underway. Many PIC members lack experience with strategic planning techniques, and some probably doubt their utility. In many communities, there is an

JTPA underway. Many PIC members lack experience with strategic planning techniques, and some probably doubt their utility. In many communities, there is an uncertain "market" for PIC leadership outside of the PIC itself. Not all employment and training actors will be enthusiastic "customers" for PIC strategic guidance. And, of course, building linkages is just plain tough work. The competition between all the players—which in many instances is purely self serving—is quite intense. We simply must find ways to break down these barriers and encourage greater cooperation and less competition among the players involved.

As to the second question—what is the state's role in encouraging creative partnerships? I am convinced that State Job Councils can, and must, play an important role in promoting, supporting, and encouraging PIC strategic planning and system-building efforts. But in considering possibilities for state action in this area, it is important to remember that the "levers" at the command of the state are indirect, and state resources are quite limited. This is to say, of course, that to have any serious impact, State Councils themselves must have sophisticated strategies for supporting PICs in system-building.

Three potentially productive courses of action come immediately to mind:

- First, STATE COUNCILS CAN SERVE AS ROLE MODELS FOR PICs. Leading by example and practicing what one preaches can be important motivators. If State Councils undertake the assessment of state employment and training needs and resources, identify cross-cutting state issues, and formulate cross-cutting strategies for addressing them, then PICs will have practical models to follow at the local level.

- Second, COUNCILS CAN PROVIDE TECHNICAL ASSISTANCE TO PICs. Councils might allocate resources to the production of strategic planning manuals, and the provision of technical assistance and training in using the techniques.

- Third, COUNCILS CAN PROVIDE FINANCIAL SUPPORT. Drawing on flexible JTPA funding, such as the 8 percent set-aside, Councils can provide PICs with essential financial support to obtain staff or external consultant support to carry out strategic planning. The record is clear that strong staff support is essential for successful strategic planning, which is at best a highly complex process to manage.

There are other actions which the states can employ, but let me stop here lest I encroach unduly on our panelists' presentations.

PLANNING EMPLOYMENT AND TRAINING PROGRAMS STRATEGICALLY: THE OHIO EXPERIENCE

Roberta Steinbacher, Administrator
Ohio Bureau of Employment Services
Columbus, Ohio

I am pleased to have this opportunity to address a group that shares my strong commitment to the creation of more cohesive and effective employment and training systems at the state and local levels. "Striking New Bargains" is an exciting and unusual conference; in a very real sense we are blazing a trail for others to follow in their system-building efforts. I hope all of you here today will join me in committing to a continuing high-level dialogue on the subjects being addressed at this unique conference. To me, "Striking New Bargains" is a very important beginning rather than an end in itself.

What I would like to do in the next few minutes is to focus on practical steps that my organization—the Ohio Bureau of Employment Services—and the Ohio Job Training Council have taken to promote strategic planning and system building on the part of Ohio PICs. We have a theoretical framework, and so I will concentrate on nuts 'n bolts questions.

A Look At The Bureau

What about the state department that I head? The Bureau of Employment Services (OBES) is responsible for management of the Employment Service, Unemployment Insurance, and Job Training partnership programs in Ohio. The Bureau has 3,530 employees, 120 local offices throughout the state, and a total budget of $250 million for the current fiscal year.

So, we are talking about a large bureaucracy and, to be frank, one which is traditionally not renowned for progressive, innovative management. We are proud of the progress we have made on the management front during the past 2½ years, but I will be the first to admit that there is a way to go yet before the Bureau is a paragon of modern management.

JTPA is, of course, the new kid on the OBES block, and a good part of my message today concerns how our JTPA Division has become an equal partner with the two older divisions.

Shortly after I was named the Bureau's Administrator, Governor Celeste designated the Bureau as the lead state agency for the development of a more effective employment and training system in Ohio, to the surprise of many observers who could not imagine the Bureau's being a powerful force for change in Ohio. The state's newly developed strategic plan called for the implementation of "a comprehensive job training program linking the available labor supply with the current job vacancies and future employment needs of employers," and declared that "at the core of the Celeste Administration's job training initiative is the evolution of the Ohio Bureau of Employment Services into a human resource development agency." It would be understating the case to say that my newly assembled management team and I had our work cut out for us.

Statewide Strategic Planning

A word about the statewide strategic planning process will put what the Bureau and Job Council have done in better perspective. Not long after taking office, the Celeste Administration kicked off a comprehensive strategic planning effort that, to date, has produced three of four planned volumes addressing economic and human resource development, natural resource management, and administrative management. Cabinet working groups called "clusters" have been established to develop and oversee implementation of the strategies. The cluster that I chair, for example, is overseeing implementation of the education and training initiatives set forth in the second volume, "Investing in Ohio's People."

Above and beyond the plan's specific initiatives in the area of employment and training is the overall commitment to a strong alliance between economic and human resource development. In the words of the plan, the "link between education and training and the jobs to which they lead is the primary purpose of the State's efforts in this area. Economic development and education/job training will be equal partners in revitalizing our economy and getting Ohio back to work again." This is the strategic umbrella covering the activities I will describe to you.

Bureau And Council Strategic Planning

OBES and State Council initiatives to promote PIC system-building should be placed in the context of their detailed strategic planning efforts over the past two years. The OBES Deputy Administrator who heads the JTP Division, Joan Hammond, will describe the Council process this afternoon, and so I will concentrate on the Bureau's strategic planning this morning. By the way, the Bureau's strategic planning experience is covered in detail in the May-June issue of **Public Administrative Review**; I have brought copies along today for those of you who might be interested.

When my management team and I joined the Bureau in January 1983, we faced the dual challenge of modernizing a large, old and complex bureaucracy while also striking out in new strategic directions. We inherited an organization that was basically a confederation of largely autonomous operating programs, each with its own planning and management processes. Cross-cutting, collective executive management was virtually non-existent. It was clear that if my new team and I were to revitalize the Bureau and make it a leader in shaping a strong employment and training system in Ohio, we would need two things:

- First, a strategic agenda clearly setting forth strategic goals, priorities and change targets, along with detailed implementation strategies.

- Second, a strong senior management team capable of collectively managing the implementation of strategies while continuing to identify new issues and to formulate new strategies.

Starting with a two-day senior management retreat in August 1983, we have over the past couple of years hammered out a strategic agenda and built a considerably stronger management team. In fact, in late September, we completed our third annual strategic management retreat, at which we adopted change targets and strategies for the coming year.

From the very beginning of this strategic agenda management process, we have identified PIC leadership in building stronger local employment and training systems as one of our highest priority targets, and the JTP Division has formulated detailed implementation strategies in response to this collective decision.

This process has not only enabled us to set JTP Division strategic targets in the context of the Bureau's other priorities, it has also helped us to avoid those proverbial shopping lists of aspirations that have given a bad name to public planning. Our targets, then, are commitments with resources attached—not just aspirations and good intentions. This is critical when you consider, as Howard Knicely so correctly pointed out, how limited and indirect state resources are to support PICs.

Bureau And Council Initiatives

What I would like to do now is share some of the more important Bureau and State Council initiatives taken to promote PIC system-building. Keep in mind that the returns are far from in at this time. As is true of your states and localities, most of our attention for the past two years has been devoted to getting JTPA underway. Only in the past year has much time been available to devote significant attention to extra-JTPA local system development. The initiatives I will describe involve joint planning, financial incentives, and training/technical assistance.

ES-JTPA Joint Planning

Our first major step in the direction of more comprehensive local employment and training planning was to put our own house in better order by bringing ES and JTPA local plan development more closely together. New planning guidelines issued last year required more front-end consultation between PIC/SDAs and local ES offices in the preparation of their annual plans.

To support this joint planning initiative, the Bureau conducted a series of planning forums around the state, at which representatives of the State Council and State ES and JTPA staff explained the guidelines and answered questions. In addition, the Bureau sponsored three full-day strategic planning workshops for SDA, PIC and ES staff, conducted by a strategic planning consultant who was both well acquainted with Bureau programs and widely published in the field.

Although we have not yet traveled very far down the joint planning road, the preliminary results are encouraging. There is considerable evidence of creative collaboration to be found in the first set of plans that were produced under the guidelines. Also, participants in the forums and workshops reported their approval of the sessions and their growing commitment to joint planning.

Financial Incentives

The Bureau and Council are also just at the beginning of the financial incentives road where PIC system-building is concerned. One of our earlier initiatives was to grant $10,000 to every PIC from the 8 percent set-aside to compile comprehensive inventories of employment and training resources in each SDA. Such inventories were produced, but we cannot as of yet assess their contribution to PIC strategy formulation and partnership building.

One of the potentially most exciting initiatives has not yet been launched. A major recommendation of a Council report soon to be submitted to the Governor—after a year of intensive strategic planning—is that a Research and Development Fund be established by the Council to award grants to PICs to test practical models of strategic planning. We expect that projects will range over the spectrum from comprehensive, systemwide planning at one end, to the formulation of strategies around cross-cutting issues at the other. Cross-cutting issues might include youth, adult basic skills, and the displaced worker, to name a few on the recipient side; and job development and placement, labor market forecasting, and intake, to name a few, on the management side.

Technical Assistance And Training

One of the Bureau's and Council's key technical assistance initiatives is the production of the **Strategic Issue Management Guidebook for Ohio PICS**, which will be disseminated to all PICs at a statewide meeting in mid-November. The **Guidebook**, which was written by a strategic management expert under contract to the Ohio Management Training Institute, describes the techniques of strategic planning and then provides detailed guidance in applying them at the local level. The focus of application is on the management of local employment and training issues that transcend JTPA.

We anticipate providing a number of training workshops around the state for PIC members and staff interested in using the **Guidebook**.

In closing, let me say that we in OBES view "Striking New Bargains" as an excellent example of high-level technical assistance, and we look forward to supporting similar endeavors in the future. I would be pleased to answer any questions you may have about our initiatives here in Ohio.

EMPLOYMENT AND TRAINING IN MICHIGAN A NEW APPROACH

Philip H. Power, Chairman
Suburban Communcations Corporation
Ann Arbor, Michigan
Chair, Michigan Job Training Coordinating Council

I'm from Michigan. Therefore I must start with a quote from one of our pantheon of saints, Roger Smith, Chairman of GM: "If you do what you've always done, you'll get what you always got." When Governor Blanchard asked me two and a half years ago to Chair the Michigan Job Training Coordinating Council (MJTCC), it seemed there was a fair amount of meat in this quote; there still is today.

In Michigan, we took the recent economic disaster and the passage of JTPA as stimulus for a radical look into the entire spectrum of employment, training and economic development. These conclusions drive us in Michigan to a set of questions which may sound mildly heretical but are intended to be provocative. I'd like to share some of our conclusions, experiences and experiments.

We began by asking several classic business questions and drawing some conclusions.

- What's the company? We created an entirely new organization—the Governor's Office for Job Training—as the vehicle through which to drive JTPA and serve MJTCC.
  a. The idea was to focus new thinking in a new agency, rather than the traditional old-line bureaucracy.
- What's the business? The answer: economic development.
  a. This means we think of job training as one end of a continuum with economic development, both measured in the same denominator—jobs.
  b. This means we focus on job and employer-specific training.
  c. And we can't answer the question of "what to train" without knowing the specific job(s).
- What's the product? The answer: The economic tranformation of the basis of Michigan's economy.
  a. From the 19th century economic base of fixed automation, metal bending, and auto making; from the 19th into 21st century technology—flexible automation, durable goods (not limited to auto making).
  b. In the old days: A kid from high school could get $10/hour for bolting on right fenders.
  c. This is no longer the case. Now we need computers, statistical process control, robots, etc.
  d. This forces us to think a lot about upgrading the work force.

Next set of questions:

- To what problem is job training the answer?
  a. Traditional: To get people into the work force.
  b. Modern: Not only this, but also to keep people in the work force and upgrade them to make sure they don't get laid off or see their industry killed or go offshore.
- Corollary: To what problem is JTPA the solution?
  a. To many in Washington: Everything connected with E&T plus the link with private sector.
  b. Others: Some part of upgrading and employer-specific training; probably not fully the solution to the problems of the hard to serve.
  c. For the hard to serve (which we believe is best defined as people who are not now and have not been in the labor force), JTPA is too restrictive; performance standards produce disincentives, and JTPA has too little money.
- In Michigan, these questions led us to the radical idea of obtaining information before we went about making decisions. (This is in profound opposition to the usual way governments make decisions, which is usually in data-free environments.
  a. We tried to find out what's out there across the

entire range of training programs in Washington.

b. The Governor's Office for Job Training (GOJT) created an inter-agency task group to develop an inventory of human resource programs.

- Result: Anarchy! 41 separate programs, 9 departments of state; $230.5 million including JTPA for federal programs, and $268.7 million for the state.
- We have an updatable data base for the first time ever.

c. What to do with this situation? MJTCC just formed the Human Resource Investment Task Force to start looking; the Governor and the Budget Director are getting involved.

d. To a poor State facing radical economic transformation with only $125 million in JTPA and a 50% cut in Title III, seeing $500 million in other programs rouses mixed feeling of excitement and anxiety (not unlike those experienced by an 80 year-old man contemplating marriage to a 26 year-old dancer).

e. The answer, of course—the bureaucratic equivalent to cold showers—is more and better coordination among all these programs.

f. But how? And when? And by what strategies? And to what ends?

We see several approaches discussed at this convention, all of which should be tried as experiments.

- From the bottom up, i.e., through PICs and SDAs:

  a. Sounds good, small scale; good contact among agencies and providers; close to home for those to be served; and PICs are representative.

  b. But:

  - PICS have some control over a little money; certainly not for all 40^{0} F programs.
  - PICs don't control politics in state capitals and therefore don't control state policy-making.
  - Variations occur in the quality of PICs
  - Service delivery systems in the U.S. are mostly decentralized and local—social services, K-12, post K-12, community colleges, ES, CBOs, SDAs. So many agencies are involved, quality control is hard to manage.

- From the top down: (For example, get the Governor to issue a state integrated human resources investment policy, enforced by SJTCCs, etc.)

  a. This might work; SJTCCs are new, have greater power. Also, an unused potential to fix the chaos.

  b. Central policy coordination and control is always appealing (even though I personally consider it the great unfounded lie of the 20th century)

  c. Disadvantages: Possible civil war among turfing and competing agencies. No control over Washington, D.C. (and the especially on Congressional propensity to create programs, the demand for which is assumed in legislation).

  i. Demand v. supply driven: Defines relative turfing index.

- Objection to both approaches:

  a. The main turfing problem is that most governmental service providers insist they be the sole source provider of services funded by their own program.

  b. Both top down and bottom up approaches fail because they **preordain that the delivery system should be used for what program purpose, thereby ensuring the turfing problem, which coordination is supposed to avoid.**

  c. Most government programs are program-driven rather than demand-driven, and as such possess an internal logic that insists on their being sole source providers; and turfers.

Michigan's radical thought: See if government can tweek market forces into play to improve governmental

effectiveness, increase coordination, reduce turfing and demand-drive a whole slew of unconnected education and training (E&T) programs.

- The vision: Define the outcomes desired, hopefully in measurable terms. Brokerage this "job order" among various program providers for competitive bid and performance follow-up.

- An example: GOJT will shortly institute and promote a central phone number for all employers interested in training. An employer calls and asks for assistance in training, say, 20 robot repair people. GOJT messages this request into a work order and either distributes it among all service providers (including relevant SDA) or refers the employer to various providers. In effect, bids are solicited; a contract is negotiated and let. GOJT them makes sure that performance follow-up takes place, including the loop linking performance to development of the next supplier list.

- The analysis: Government takes over some of the functions of brokering within a market place. It concentrates demand. It links demand with supply. It allows the customer to define the work to be done and the agency to provide the service. It oversees the contract and conducts performance review and follow-up.

Miscellaneous Observations:

- What is the main new point of the JTPA legislation? It introduces the private sector into programs previously defined entirely by government. The original reason for doing this was that the private sector has the jobs for which people are supposed to be trained. The real reason is that the private sector is the consumer of education and training; introducing the private sector "demandizes" the job training system which up to now has been very largely supply driven. Notice that once the private sector is involved as a customer for service from the E&T system, issues of demand across programs may lead to the possibilities of common assessment standards.

2. It is common nomenclature among the E&T community to talk about the employment and training "system." This is silly. It would be more helpful to call it an "environment" or, perhaps more descriptively, a "chaos." Such a nomenclature forces one to assess the way to manage a system that is not coordinated and essentially unmanageable. The best way to approach it is try to define who is providing supply and what is providing demand.

PLANNING AND SYSTEM-BUILDING

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New York City is often expected to be "different", and, like any good self-fulfilling prophecy, one does the best one can in meeting those expectations. In the case of its Service Delivery Area (SDA), we have found ways to be unique. However, besides the SDA's uniqueness, we feel there are some common experiences with other SDA's which we can all share.

This paper tries to be faithful to the theme of this panel, that of local strategic planning and system building. As a relatively small organization there are limitations we face. The Business and Industry Development Division (BIDD) of PIC represents a small part in the employment and training system, yet we feel that strategic planning and system building will result in our making a disproportionately larger contribution than our resources warrant. For many organizations in a similar situation, the lessons, particularly around strategy formulation and execution, that address the technical and political questions may be of some value.

Historical Background

In presenting a case study of the BIDD as part of the SDA structure, some historical background information is required. The first is the evolution of the PIC structure under JTPA and secondly, the transition from CETA to JTPA.

Prior to the creation and passage of JTPA legislation, New York City had in existence a PIC under Title VII of the CETA legislation. Since its inception in 1979, this PIC had gained an excellent reputation for the development and implementation of customized training programs. Such programs involved business advisory groups within specific industries. These groups defined the needs of the industry and developed curricula and program designs.

Under JTPA legislation, a new PIC board of 70 members was formed. The City of New York became the recipient of the JTPA funds and the Department of Employment (DOE) of the City of New York became the administrative entity for the SDA. Under an agreement with the City of New York, the PIC received 13 percent of all funds and DOE the remainder. The previous PIC (with its former board dissolved) continued to exist under the newly constituted board of 70 members and was called the Business and Industry Development Division (BIDD). BIDD administers the 13 percent received by the PIC.

The second set of historical background notes relates to the transition from CETA to JTPA and the emphasis of the PIC Board during that period. The overriding goal of the Board and its chair during the transition was the continuation of services without any breaks, the assessment of program quality and cost, and the determination of appropriate staffing levels for the new BIDD.

Accomplishing these tasks was not a minor undertaking since the management of diminishing resources tends sometimes to be subject to the political process. Such was not the case in New York City. Between fiscal year 1980 and 1985, funding within the City for employment and training had decreased from $326 million to $85 million (including the Summer Youth Employment Program) and the number of Community-Based Organizations (CBOs) funded had decreased from over 250 to approximately 85. Given the politically active posture usually associated with CBOs, this process, as successful as it was, was not subject to a political process and is, in itself, worthy of a separate examination.

Much of what BIDD has been able to accomplish is a direct result of the Board and its PIC chair having achieved its goals. The two week period prior to my becoming the Managing Director of PIC (October 1, 1984) saw the BIDD staff being reduced by one-third, services were uninterrupted and program assessment resulted in a good mix of customized programs at a 10 percent cost reduction.

Existing Realities

While these two historical factors set a stage, they do

not define completely the realities of an organization in flux, the underlying assumptions to be addressed, and the political issues that need to be stated prior to developing and implementing a strategic plan and undertaking the task of system building. Very briefly each of these are developed.

With changes occurring in legislation, funding levels and staff, BIDD was an organization in flux during the 1983-1984 period. The elements highlighted below are characteristics that can be found in any organization going through major changes:

- Major staff layoffs resulted in some loss of institutional memory.
- Staff meetings occurring less frequently.
- Systems, particularly fiscal and management information systems, needed to be updated to reflect changes in legislative focus.
- Staff were less sure as to the organization's mission in the light of legislative and funding changes.

A second set of realities rested on underlying assumptions that the organization would have to address. Among these, two that were critical to the new management need to be stated:

- That BIDD, even in its original conception as a PIC under Title VII of CETA, had a research and demonstration role. Given the performance driven nature of JTPA, how was this assumption to be addressed?
- That the organizational structure under the JTPA legislated PIC Board required that BIDD and DOE define a functional and operational relationship. How could this most readily be effected?

The two key organizational issues can be summarized as follows:

- While BIDD's 1984-85 budget of $8.2 million may be larger than most SDAs', its size is trivial within the city as to its possible impact. These funds can serve less than one-half of one percent of the total eligible JTPA population within the SDA. How was BIDD to maximize its role with the employment and training systems within the City's given its limited resources?
- During the 1983-84 period, there was the creation within BIDD of the New York City Employment Committee. The BIDD functioned as the Committee's operational and implementation arm. However, the committee had its own separate Board of CEO's from Fortune 500 companies. How was this entity with no legal status, its own identity, programs, funding and staff to relate to the new BIDD?

These are but a few of the existing realities inherited by the BIDD management team in October 1984. The remainder of this paper will focus on strategy formulation and its execution. It will attempt to include strategy content, characteristics of the strategy formulation and implementation processes, the technical barriers, and how they are being addressed.

Strategic Planning And Systems Planning

Before any strategic planning and system building could occur, there was a need to address internal systems of the organization. Yet, while this task would take some time, the process towards a set of strategic plans and system building could not simply be set aside to wait until all the internal pieces were in place. Because of the relatively small size of the organization, one did not have the luxury of simply responding to the question of what is BIDD doing by stating, "working on internal systems." Such a question is directed to programs, performance, numbers and other bottom-line results.

Being aware of what is meant when one is innocently asked, "how are things going" several strategies had to be followed simultaneously. A summary of the time-line for the different strategies may be helpful to the reader, for the remainder of this section while describing each separately, is only presented within the broader time frame of October 1984 to September 1985.

Other strategies do not fall neatly into any time-line and can be considered continuous. However, before going on to discuss each of the areas, let me add two critical pieces that did influence strategy:

- How were any savings from accruals best

utilized? These accruals provided some funding for new initiatives.

- Upon receipt of incentive dollars in November, a decision was made to put all those dollars into a youth initiative. The impetus for this initiative came from the general concern for the high youth unemployment rate in the City. The rationale was that BIDD had developed a reputation for customized training and that these efforts could be maintained. Data indicated that youth, out of school, lacking cognitive or basic skills above the seventh grade, represented an effort that would be unique within the organization.

The environmental scan was begun in early mid-November, six weeks after I became Managing Director. The remainder of this section discusses each of the components, strategy, etc., that has brought us to the point where we feel we have both a strategic plan and have begun to develop and implement the process of system building.

Addressing Internal Changes

Three internal benchmarks were established within the month of October. Only by achieving these benchmarks in the nine-month period remaining in the fiscal year could the organization begin to implement any results that would come out of its strategic planning process. These benchmarks centered around fiscal, planning and automation.

- **Fiscal.** The benchmark was to close out the year's books on schedule, produce timely monthly statements and link budget with planning for the coming fiscal year.

- ***Planning.*** Tighten the current MIS system on a short-term basis and run the strategic planning process that would provide the direction for the coming year.

- **Automation.** Determine the automation needs of the organization and implement them by the beginning of the new fiscal year.

All of these benchmarks have been achieved. In achieving the benchmarks, some mention of strategy, characteristics, structure and technical barriers is required.

- **Automation.** Once automation needs were determined, there remained two key problems: (a) how would the bidding process for equipment affect decisions? and (b) developing a process to identify existing software available at minimal, or no cost, or not involving lengthy development time, yet adaptable to meeting our MIS and fiscal needs. A creative solution was found through the use of private funds for rental and donation back to BIDD after four years. The question of identifying software meant investigating avenues everywhere. Eventually, the State of Washington provided the software, at no cost, and we learned that the SDA of Phoenix, Arizona had improved on that software. Staff spent two days in Phoenix on their system, testing both the hardware and software and confirming that our choice of similar hardware, made independently, was a good one. Phoenix as an SDA was comparable in size to the BIDD.

- **Fiscal.** In meeting the fiscal benchmarks, an early decision was made to involve our auditing firm in the recruitment, screening and interviewing of candidates. While they did not recruit the individual selected, their eagerness to hire the individual chosen as part of their operation if we did not do so convinced us to make every effort to hire him despite our rather limited salaries. We succeeded.

- **MIS.** A Design and Evaluation Division was created to include MIS, planning, the design of new programs and research. Its primary function of coordinating a strategic plan with the Managing Director's office has been critical. As to strategic planning, the department, with strong support from my office, conducted an environmental scan, a senior staff retreat and a new ideas identification process for programs targeted to our new mission.

Environmental Scan

A report "New Directions for BIDD" was developed between November 1984 and March 1985. This report's development entailed interviewing 60 individuals from the corporate, political, foundation and academic communities. A draft consensus brief on agreed upon areas was followed by roundtable discussions involving 60 individuals who participated in the interviews.

This process of using both interviews and roundtable discussions in conducting an environmental scan broadened the base of influential individuals and organizations with a knowledge of the BIDD. They had come from a variety of communities which we hoped to affect. Moreover, it provided these individuals and organizations with detailed knowledge of the BIDD's operations and issues involved in its future direction. Instead of the often asked question "what is BIDD doing?", they learned what questions we were asking, what decisions had been made during the transition, some of the initiatives we were considering, and aided us in clarifying directions.

Staff Retreat

This represented the first of its kind for the staff. A refined mission statement was developed as a result of the environmental scan and staff retreat. Equally as important, key decisions were made that have proved to be critical then and now regarding staff morale. The first involved a briefing of the entire staff the day after the retreat, and the second was the closing down of the office for a day and setting up a briefing of all staff at four homes, located in places that all staff could reach. The feeling was that if it was important for 17 senior staff to go out-of-town for two and one-half days, then it was important that a work day be set aside for all staff "to discuss our discussions." At the time of the senior staff retreat, only four of the seventeen staff who participated had been at BIDD for more than one year.

Other Internal Processes

Several other processes were implemented to firm up the internal options along with these benchmarks:

- Development of 15 occupational categories within the organization versus the existing five, thus offering more opportunities for career advancement and promotion.
- Written evaluation completed for all staff by the end of the fiscal year.
- Institution of a weekly staff meeting open to all, with the major emphasis over the past months on the briefing by staff on topics related to implementation goals.
- Decentralization of this year's budget to department heads.
- Operating without a deputy during the first nine months, thus limiting the filtering of information and allowing a new management style to come to the forefront.
- Development of new contract formats that will be more protective of the organization. This was done with the assistance of the DOE legal department.

Program Initiatives

Simultaneous with the internal strengthening of the organization were a set of program initiatives that began to emerge early in our environmental scan. The importance of initiating new program activities was an important strategy since an organization often needs an early win or success to build or maintain momentum. A decision was made to focus on the development of a Learning Center that would address what is, a year later, much more commonly accepted within the SDA as the major structural problem faced by the unemployed—that of the lack of cognitive or basic skills among the unemployed. This decision has resulted in the following:

- **Learning Center.** A grant by the Ford Foundation for the development of a Learning Center. This grant, the only one to a PIC by the Ford Foundation, was combined with corporate contributions and the Board of Education support enabling the Center to become operational by May 1985. These centers utilize the Comprehensive Competency Program (CCP).
- **Youth Initiative Program.** Initiation of a major effort for out-of-school youth, 16-18, functioning between the 5th and 7th grade, with little or no work experience. This effort involves improving cognitive skills over a specified period of hours and youth acquiring work maturity skills so they may enter skilled training. As stated earlier, all incentive dollars were combined to this effort. Summer-Enhanced Youth Program. A summer-enhanced youth program with youth from a high school with one of the highest dropout rates was initiated. The evaluation of this effort was completed in time for the closing press conference involving the Summer Jobs 1985 effort.

The timing of these program decisions, particularly the development of the Learning Center, was important in system building. The decision for the development of a

Learning Center was made during the ten-day period before October 1984, and was the result of a series of lengthy briefings held with colleagues on the East Coast. Fortunately, this decision was strongly supported at the roundtable discussions and formed the basis to respond to the challenges of working with hard-to-serve, difficult youth. By the first Board meeting in November, the announcement could be made of funding secured and this gave the organization a positive response to the question, " what are you doing?" Moreover, the Center gave us both the possibility of leveraging dollars and systems building with the Board of Education. The Board of Education now supports the operating costs of the Center through the support of teachers we selected and trained.

While the Center would not become operational for a few months, we made a decision to support a similar Learning Center that utilizes CCP at Bank Street College by locating our Youth Initiative Program there. This assisted that institution to solidify its funding and the operation of its Center.

The magnitude of the problem of lack of cognitive skills among the unemployed in N.Y.C. required that BIDD obtain partners in tackling this effort. It was apparent that N.Y.C. could easily utilize 100 such Centers. More recently the City University of New York has made a decision to open 9 additional centers and the Board of Education one. It is projected that by the summer of '86 there will be 22 such centers within the City, all utilizing the Comprehensive Competency Program.

In securing the funding from the New York City Partnership and Summer Jobs '85 for our Summer-Enhanced Program, we feel we have moved to the forefront in making the issue of cognitive skills among youth better understood.

Other Strategies

The other key elements of our strategic plan, while focusing on special groups, entail a number of very specific strategies. Among these are:

- **Leveraging Additional Funds.** Clearly the $8.2 million BIDD has for this fiscal year is but a minor part of the total resources ongoing systems have to address education, employment and training. Our budget formulation for the coming year assumes a certain percentage of dollars will be leveraged from existing institutions (not including foundations) and corporations. Thus far, we are achieving the goal as established.

- **Leveraging Organizational Capacities.** Equally as important within the concept of leveraging, is the leveraging of different organizational capacities to address the needs of a specific population. As the lead organization with the Vietnam Veterans Leadership Council, BIDD was able to develop a proposal to assist Vietnam Vets with heavy combat experience. This model, funded at the level of $500,000 its first year, brings together New York University Graduate School of Social Work, J. T. Gallaher Associates and Dr. Erwin Parsons, creator of 20 outreach centers for Vietnam Vets. None of these groups or individuals, despite their expertise on Vietnam Vets, could have separately obtained this contract.

- **Selectivity in Funding Sources.** The decision to be selective about what additional funding dollars we would seek, particularly through the RFP process, was a conscious one. While additional funds and programs were appealing, the decision was made that: (a) the organization first had to clearly define a strategic mission and not be driven by dollars and; (b) as internal systems and changes in staffing were occurring, it was felt that these programs would divert the energies of the organization from its immediate task, that of updating and refining its internal systems.

- **Outreach.** Outreach to key systems players on a monthly basis to share ideas on what they are doing, their resources and how best we can be supportive of each other. These one-day site visits and meetings with BIDD staff offer the opportunity to share ideas.

- **Communications.** A year ago the mailing list for our newsletter numbered 1500. Since then it has been increased to 3000 with a goal of 10,000 by the end of our fiscal year 85-86. Moreover, beginning with this summer's issue of our newsletter, each issue will be on a specific theme. The summer issue was devoted to youth, examining alternatives for summer job programs, while our fall issue's theme will be on serving high-risk populations.

Conclusions

The task of strategic planning and system-building is a continual one. Several factors make this so. In the City of New York, as elsewhere, leadership changes occur and this will require time to build new relationships that ensure trust and agreement on common goals.

- When a small organization makes an assertion of a common goal, this can often raise questions as to the motive, for they at times seem to have less to lose than large institutions.

- As with most organizations in the not-for-profit sector utilizing federal funds, we are being asked to manage a set of seemingly multiple contradictory goals and objectives. In this instance it is a set of performance goals with per placement costs that make serving the hardest to employ—the high-risk groups—a challenge. How we do this is a constant challenge that will test our creativity.

- Changes in the environment will occur and we should constantly be alert to them.

BIDD faces these challenges and accepts all of these responsibilities in its continuous and continuing effort at strategic planning and system building.

FOCUSING THE JTPA PROCESS: THE CINCINNATI/HAMILTON COUNTY EXPERIENCE

Gordon Hullar, Engineering Director
The Procter & Gamble Company
Cincinnati, Ohio
and Chair, Cincinnati Private Industry Council

My intent this afternoon is to share with you the process that we are using in Cincinnati and Hamilton County in our efforts to utilize JTPA funds to make a significant difference in our community. I will make some references to our program to illustrate how that process works for us, but the thrust of my message is around the process, not the specific details from our experience.

I am not here today to present a success story because we, by our own standards, have not yet succeeded. It is true that we are meeting or exceeding all state and federal guidelines and that our "numbers" are getting steadily better. But we believe there is much, much more. I expect the process we are following to make that "much more" a reality for Cincinnati and Hamilton County.

The objective of our process is to set clear direction for our program and create alignment of the PIC and critical community leaders with the JTPA program in Cincinnati and Hamilton County. It is through this alignment that we expect to achieve outstanding results.

Elements Of The Process

Our process is simple and powerful but to use it successfully requires considerable commitment, persistence and willingness to engage tough issues. There are five elements or steps in our process:

- Development of a vision.
- Development of a mission.
- Selection of strategies.
- Development of action plans.
- Buy-in of all key participants to the vision, mission and strategies.

I will talk about each of the five elements in some detail so that you understand both what they are and why they are important.

Vision

First, what is a vision?
Think of the vision as a picture of the future we are trying to create.
It is a dream which doesn't get constrained.
It states important values we hold which can be measured.
It indicates what we will be.
It is something that doesn't frequently change...Although how we get there does change.
It is a statement against which everything else is related.

One example of a powerful vision was: John Kennedy's vision of a man on the moon by the end of the decade. That clear, simple vision mobilized this country to the task. Another powerful vision was Dr. Martin Luther King Jr.'s vision as expressed in his "I Have A Dream" speech. That vision touched America and served as the source of a dramatic and important social change.

The vision is a picture of what we want without being constrained by today's reality. We found we needed to use many more words than Kennedy to paint our picture. Let me again illustrate by sharing our PIC vision with you. It our vision of what our program will be in 1990.

- Training program completion rates exceed 90%; that is, less than 10% of participants drop out prior to program completion.
- There is 100% placement of training program graduates.
- Numerous private sector companies use PIC program graduates as a primary source of new employees.
- PIC programs serve the entire eligible population and make clear progress against the racial and sexual bias that currently exists in our work force.

- PIC graduates enter jobs at pay rates that permit economic self-sufficiency.

- Retained or continued employment is the key criterion in program design and evaluation.

- We have cooperative and synergistic programs with the public school systems, social service agencies and private service providers.

- PIC graduates are widely known to employers as qualified, work-ready employees who are assets to their own organization.

Notice that the vision talks about what it will be like when we get there. It does not in any way talk about how we will get there. That is an important distinction. By not talking about the how, it leaves open all possibilities. hat is one reason why visions are so powerful and energizing.

Mission

With our vision in hand, we then define our mission.

> The mission is the statement of purpose or reason for existence of the organization. It answers the questions, "What is our business? And why do we exist?" It helps organization members understand what the organization is about and what direction it is taking.

The mission for the Cincinnati and Hamilton County PIC is simple and straight-forward: Move eligible individuals into the work force in ways that provide economic self-sufficiency for them and their families.

Notice how the vision and mission together provide a framework for where we are headed. Obviously, our mission must be aligned with the intent of the JTPA legislation. As a result, I would expect each PIC to have similar missions, but I would not expect them to be identical.

Strategy

With vision and mission in hand, we are now ready to move to strategies and action plans. If there is good agreement on the vision and mission, then the strategies and action steps will flow much more easily. If, however, there are still unresolved issues in the vision and mission, agreement on strategies and action plans will be very difficult.

Strategies are choices we make in critical areas that determine how we will meet our vision and mission. They provide a framework for decision-making. Good strategies are complete, consistent, minimal and robust. I previously mentioned Dr. King's vision. His key strategy to achieve that vision was non-violent protest, and he tested every possible action against that strategy.

We have selected four strategies for our PIC, and I share them with you to illustrate my point.

Our strategies are:

- Define success as employment which provides on-going economic self-sufficiency.

- Serve all key segments of the eligible population (and here I'm talking about black, white, male, female, ADC recipients, handicapped, youth, older workers) and serve them in the proportion that they appear in the eligible population.

- Move forward from a base of public and private sector cooperation and collaboration.

- Align key people (PIC members and critical community leaders) around the vision, thus moving them beyond self-interest and into support of the program objectives.

You will note that we still haven't defined any specific actions. Strategies only provide the framework for action and decision-making.

Action Plans

Next, we move to action steps. Now, finally, we have arrived on more comfortable ground. Action plans are something we are more used to. They are specific actions that we will take to accomplish goals, objectives and the achievement of the vision and mission. Action steps should be time-bound, specific and measurable. I won't use examples here because I think we are all familiar with and skillful at developing action plans. The key point here is that action plans should be consistent with and within the decision framework provided by the vision, mission and strategies.

Alignment And Buy-In

The final step in our process is to achieve alignment and buy-in to the previously developed vision, mission and strategies.

It is an absolutely crucial step.

Who needs to buy in? For best results, my answer is "All of the people critical to the success of the enterprise." There are many ways to get buy-in, but one of the best is to involve those key people (PIC and key community leaders) in the development of the vision, mission and strategies.

Regardless of who writes the vision, mission and strategies, it is necessary to engage the rest of the organization so they also have the opportunity to understand and personally buy-in to the direction.

For the most part, our PICs are blessed with people of skill, experience and strong points of view. They are on PIC because they want to create something or protect something or fix something. Because of this, getting alignment and support of PIC members plus the critical leaders in the community is extremely difficult. But to achieve excellence, we must create this alignment.

Thank you for your attention. I would be happy to talk further with any of you if I can be of assistance in helping you achieve excellence in your JTPA program.

TARGETING JTPA TO THE FAST TRACK OF COMMUNITY PROBLEM SOLVING

Marsha M. Oliver, President
Indianapolis Private Industry Council, Inc.
Indianapolis, Indiana

Speaking as President of the Indianapolis Private Industry Council, one of 17 JTPA administrators in Indiana, I believe I can say that for a relatively new federally-funded program, JTPA is on a fast track. Speaking as President of the National Association of Private Industry Councils, there are communities which are moving, more or less quickly than Indianapolis. But at this point all of us know one thing—our survival depends upon learning how to do the most with what we have. We have all experienced what it's like to be expected to do more. When we say "no", folks tend not to believe us when we tell them why. So, we're constantly trying to come up with more ways to say "yes". Indeed, in Indianapolis, we've developed some working partnerships with both organizations and individuals that could not have been conceived a few years ago.

Be Involved With Important Community Issues

To make any sense of what I'm saying, I first have to tell you what's going on in my city. And by the way, if there are any rules—that's the first one. **Know what is important to your community**. It is by involving local employment and training systems in those important and high visibility projects that credibility for the system is developed. Let me give you an example. A nationally recognized market research firm, based in Indianapolis, conducts a community-wide survey each month as a public service. They ask a minimum of 100 people what they feel is the single most important problem facing the City of Indianapolis. Response varies from month to month but the "winners" of late are: 1) crime and safety, 2) education and schools, and 3) unemployment and jobs. Those major concerns run far ahead of taxes, transportation, housing, public utilties and a number of other things. For we who administer JTPA, these are opportunity indicators. Here is what I mean.

Take the concern over crime and safety. Like any large city, we have our share, but as long as authorities remain diligent, crime rates do not rise and will hopefully show decreases. We also happen to have a very capable young "law and order" prosecutor. His hard line on locking up repeat offenders has won him considerable praise. It has also filled jail cells! It became obvious about six months ago that the time was right to demonstrate some compassion and perhaps try something new—at least for youthful offenders. As our SDA was responsible for serving 25% of all offenders served under JTPA in the state of Indiana last year and because of our success with youth programs, we believed this was a joint venture right up our alley. A program called "BREAKthrough" developed by a team of veteran adolescent criminal psychologists and sociologists proposed a 21-week program as an alternative to sending youthful male offenders to boys school. It consisted of seven weeks of tough physical survival training with specific time set aside for academic remediation and counseling followed by seven weeks of at-home probation and seven weeks of on-the-job training. During this period family and counselor staff support would hopefully lead youngsters either back to school or into gainful employment. The total price tag was $328,000.

Now this is one of those high risk, high reward ventures that if undertaken solely by any one entity, one can make stakes much too high. In the case of "BREAKthrough" the financial burden was shared by a grant from the Office of Juvenile Justice, funds from the City, and the JTPA contribution of $125,000 which was earmarked for the training and employment component.

The results—first off, our original objective to make "BREAKthrough" an alternative for 75 boys was slowed slightly when rural residents found that the survival training for "city kids" was being conducted in their counties. Our efforts to maintain a low profile could not prevent local reporters from publishing minor exposes which resulted in our having to move the program from county to county. Aside from those problems, the good accomplished by the program is measured in individual success stories. The program has not escaped the attention of Indianapolis' juvenile court judge. According to Judge Jim Payne, "BREAKthrough is an example of the kinds of innovative alternatives communities are going to

have to come up with in order to salvage youngsters before they become permanent dependents of the system."

Going back to concerns expressed by the community—high on the list is education and schools. Quite honestly, Indiana's reputation lags behind many states in both the priority given to public education and the quality of that education. Historically, this is related to our being a primarily manufacturing state, where the academic ability of the masses had not (until recently) hindered a worker's ability to earn a decent living. That, of course, has changed and we're faced with having some 15,000 dislocated workers locally, three quarters of whom probably require some academic remediation before they can participate fully in retraining programs and become viable candidates for the higher paying jobs available in the market place. That added to the fact that we are not adding new jobs fast enough, for our growing crop of young people means we're faced with exporting our brain power to states across the country.

Find Your "Niche" In Solving The Problem

As JTPA administrators, deep-rooted problems like this one could make one throw up his hands in defeat if we viewed this as our problems to solve. The point is, it's not! This is an entire state's dilemna. We simply must carve out that which we **can** affect. So, I guess that's a second rule for us. **Realize that JTPA cannot do everything, but incorporate what it can do into state and local overall efforts**. Here again, I'd like to refer to some local examples of how we've crossed over some of those imaginary boundaries.

Education is a highly political issue in our town as it may be in many of yours. Two leaders from our local public education system sit on the board of the Indianapolis Private Industry Council. The superintendent of the Indianapolis Public School (IPS) system which oversees the education of 52,500 students is one of them. Most youngsters served by JTPA reside in IPS boundaries.

The first interface between IPS and JTPA began two years ago when we undertook operation of the summer youth employment program called PARTNERS 2000. Needless to say, getting the attention and cooperation of school administrators would have been absolutely impossible without the visible support of the Superintendent. The first year was marked with some conflict as folks got to know who we were and how we could, in fact, help the schools. This year, together with our State Board of Vocational and Technical Education, we have leveraged some $360,000 for schools to accommodate a pre-summer employment curriculum for students. During the first year of our summer youth program, we had to conduct this training completely on our own, though obviously not the best or most efficient way to do it.

What that did for the school system was save the jobs of several teachers, hundreds of whom were laid off due to funding cuts. It also gave us a chance to begin to influence the curriculum that would prepare at least some of our young people for the labor force. Clearly, this was a much closer relationship than we had ever had before. We were communicating what we knew about business and the job market to help prepare youngsters for coping with the real world. Add to this our board's decision to allow only active students in the summer program, as an incentive to stay in school, and you have schools and JTPA speaking the same language, "Stay in school if you want success!"

Another outgrowth of the summer program was that until PARTNERS 2000, the business community had not been particularly supportive of such programs. At least not to the extent that they actually hired students to work in their businesses. Well, that changed and last year 1,039 students worked in the private sector. Over 300 different employers got a first hand look at what is the product of public schools. Believe me, just hearing and reading about it is not enough when one can afford to send one's own children to private schools. The time was right to act!

The forty members that are seated on our board are there because they are influential and have proved they can make things happen. These are people who will support a school system's willingness to take a long, hard look at itself, painful though that might be. The national mood of communities to make their schools more accountable has not escaped Indianapolis citizens. If PICs and other influential groups can find ways to assist schools in being more responsible to the needs of their communities, everybody wins. The opportunities are endless because they cut across many boundaries. Examples are: a) increased taxes for public education which impacts government politics and taxpayers; b) facing up to the need for discipline in the schools which allows neither families nor social agency to remain

uninvolved; and c) the true quality of education—which determines the suitability of graduates for higher education and, eventually, for the marketplace. Indeed the whole fabric of our community in the future depends upon the priority we place on our public educational institutions. The role for JTPA is small, but the potential to influence change is not.

Partnerships In Economic Development

The last example I'd like to refer to today falls into that category we call economic development. This popular phase carries with it such "status" that in Indianapolis, I'm sure there are no fewer than half a dozen organizations which claim to be **the economic development** specialists for the city. We have a division of economic development at the Mayor's office. The State's Department of Commerce has local representatives. We have the Indianapolis Economic Development Corporation, an independently funded organization, which seeks out and entertains prospective businesses. We have the Commission for Downtown Indianapolis, which is deeply involved in both the structural and social renewal of our downtown. And the list goes on. We also know private businesses, banks and utilities all have economic development specialists on their payrolls. Therefore, for the company contemplating a move to Indianapolis, and even the existing company which is expanding, it is a most confusing menu.

In the past year there has been an effort to consolidate some activities. From the State standpoint, the Lt. Governor now heads up statewide economic development with the Department of Commerce, Indiana Employment Security and the Indiana Office of Occupational Development (responsible for JTPA oversight) all reporting to him. On the surface, then, it would seem that projects that constitute economic development priorities might flow from the top down, but this is hardly the case. We at the local level (even though we physically live in the same city as state people) must make our community agenda a priority and here are some of the things we must keep in mind. A city which will be preparing to host the 1987 Pan Am Games. A city which plans to build two new convention hotels and thousands of downtown housing units. A city which still depends upon large manufacturers for 87,000 jobs, down from 110,000 just four years ago. A city that in the same four-year period, had an increase of 6,000 service jobs. A city with a virtual hold in public sector employment. Those are the conditions in which our local JTPA programs exist. Therefore, it is imperative that we develop strategies which can incorporate the full range of resources under JTPA aside from the funds we control.

Results From Targeted Involvement

Perhaps as much from association as due to any master plan, the Indianapolis Private Industry Council is now a proven partner in endeavors that affect local economic development. When International Harvester and Chrysler both threatened to close, our dollars and our ability to respond quickly helped keep assembly lines moving. When a local software company considered moving to Atlanta, we and the Department of Commerce showed them how they could consolidate western U.S. operations in Indianapolis, replace production and customer service staff and remain a valued corporate influence in our city. When efforts to replace a tenant in a vacant meat processing plant stalled (because Baltimore's Esskay decided not to follow the Colt's lead), we were among representatives from Commerce, the state vocational institutions and the City who showed an existing company how they could move into the plant and expand their operation economically, even considering the tight profit margins under which people in this business must operate. The result—another 150 jobs for Indianapolis. When a new 360-suite hotel (being developed by one of our board members) was breaking all records to open for business with a full house for the NBA All Star game in February 1985, the JTPA system and Employment Security Division joined forces with Embassy Suites management to get 100 people hired and trained in just six weeks.

So does this say we have a formal strategy for economic development in Indianapolis? Not really—not yet. It says we who administer JTPA have had some successes because we've learned how to be a partner in such endeavors. But truly, we do seem to make repeated trips to the "drawing board" and to the outsider, I still believe that one of our biggest challenges is to help our community arrive at a clear identity for where we, as partners, "fit" into the economic development picture.

I know the territorial concerns we all have should one voice speak for economic development; however, it is incumbent upon us and our other partners to assure that voice is an informed one. I have simply sat at too many tables where response to so-called economic incentives is mixed with puzzled stares from corporate executives. Selling a city is a business where it is imperative that we learn **about** their business in a short time, but we

shall never get them to sit still long enough to learn the intricacies of ours!

Economic development—the phrase says fast track and remember, I began by saying I thought JTPA was on such a track when compared to other federally funded programs. But there's still much we have to learn. I am intrigued by what I hear other communities (cities like Baltimore) have done to create job opportunities right along with HUD funded projects; the experiences of cities like St. Louis which have first source agreements in place. We're a city proud of the partnerships we've developed to make our city a better place and there are certainly areas where more needs to be done. In my opinion it's only a matter of time!

Conclusion

I've spent the last few moments sharing with you some examples of issues that cut across boundaries of responsibility. I wanted to illustrate how many have little to do with whether or not we reach any specific performance standard. In our mind, standards are "given," they're neither ultimate goals nor sole driving forces. The other ways we make JTPA fit with what our communities want for themselves is where the real challenges are. And if we do it for an average entered wage (in our case $4.98/hour) so much the better!

STRATEGIC PLANNING & LOCAL SYSTEMS BUILDING A Case History

Marion W. Pines, Commissioner
Neighborhood Progress Administration
Baltimore, Maryland

All public and private "industrialists" strive toward the production of those goods and services demanded by their consumers. For local government officials, this means constant attention to their constituencies' needs—public education, fire and police protection, public works and a host of human services to those in need. Limited and dwindling public resources have made this job particularly difficult, placing the public officials in a position of having to juggle and continually shuffle the sometimes overwhelming priorities.

Understandably, the local government manager can get lost in the daily regimen required to produce. In the case of a large urban city like Baltimore, this means long days devoted to ensuring that decaying roads are maintained and rebuilt, that people have access to decent, affordable housing, that children receive good education, that the City is adequately protected and that sufficient support services are available to the poor and indigent. The City is in many ways like a huge industrial plant, running 24 hours a day to produce an incredible amount of goods needed by its consumers. But what sets the City apart is the almost nonexistent margin for error—fire trucks **must** stand poised to react instantly, schools **must** open, housing, food and medical help **must** be made available. And secondly, the City is charged with the responsibility for the future of its residents. The **people** will certainly be here many years from now. It is up to the City government—and its professionals—to see that there is a functional service "infrastructure" to care for them. As members of this profession, we must build the local system to meet the responsiblities for years to come. This means identifying the City's overall goals and building a delivery system that is responsive and flexible enough to meet the needs of today **and** tomorrow.

"Strategic Planning" is the term given to a process designed to help all managers, public and private, ready their industries for the future. It is a technique that need not be complicated or technical—it can be a common sense process to help people focus their attention away from the day-to-day decisions and crises and onto longer range goals. Strategic planning in Baltimore is simply organized planning designed to make managers think, and manage, proactively. Managers who can anticipate or are prepared for tomorrow's problems are those who are most successful.

This type of planning is most easily understood when discussed in context. This paper, therefore, shall present a **functional** strategic planning process—highlighting our experience in Baltimore. We have, I believe, a tangible product of strategic planning in the City's new Neighborhood Progress Administration, a unique municipal agency delivering varied and inter-related services designed to implement the major goals of Mayor Schaefer's administration.

Identifying Goals

The overall goals of Baltimore are undoubtedly similar to those of many large, old urban centers. Baltimore has suffered the ills of modern technology—many industrial plants forced to shut down or curtail operations when faced with new technologies and new competition. Shipyards, steel mills and other manufacturing facilities which once provided what was thought to be a permanent urban economic foundation are now gone. With their demise go thousands of high paying jobs, local tax revenues and critical purchasing power. And beyond these economic displacements, Baltimore faces the ever growing problems of age—a decaying housing stock, deteriorating water and sewer systems, inadequate land on which to expand. None of these problems is peculiar to Baltimore. But as local government professionals, we must look at every one and decide exactly what can be done to overcome them.

By looking at these types of problems—and their causes—the manager is able to see a "snapshot" of his industry (in this case, the City). But one must look beyond the actual tangible problems to truly uncover the less visible but equally important barriers. For example, Baltimore—with its host of economic and age problems—is the largest city in the State; the majority of the State's poor, elderly and minority population live in

the City, and the tax rate is twice that of any other subdivision in the State. Roughly one-third of the City's residents pay no taxes at all; another one-third pay enough tax to merely offset the services they use, leaving the final one-third of the population to pay the balance of the City's tax revenues. The demand for basic municipal services far exceeds that anywhere in the State—our ability to afford these services continues to shrink. If the City's greatest challenge can be summarized, it is simply an ever-widening gap between what is needed and what can be afforded.

So what are the City's goals? If our City is to survive and continue its remarkable urban renaissance, we must -

- increase the City's tax base (since 1970, the City's tax base has risen 71%).
- create a climate that stimulates an increase in the number of available jobs, and improve **access** to these jobs (the tourism industry has produced 16,000 jobs).
- increase affordable housing (since 1970, over 31,000 units of housing have been built or rehabbed, and homeownership has increased by **8,000**).
- enhance neighborhood stabilization.
- If Baltimore is to move ahead, these are the targets we hope to hit.

Strategic planning is a process to help identify these goals. What is described here is a functional process to identify the problems facing a city like Baltimore, identify their causes, identify achievable goals to ease the problems and, perhaps most importantly, identify what stands in the way of reaching these goals.

Build A System

The goals we have identified in Baltimore have given rise to a creative municipal office designed to deliver the types of tangible services needed to achieve these goals. Again, our emphasis is on local initiative—the most creative use of federal, state and city resources, coupled with "self help." In order to make the most effective use of these resources, the City's manpower training arm, public housing authority and housing and community development offices were consolidated to establish the "Neighborhood Progress Administration". By doing so, the City has built a super agency around its primary goals—increase the tax base, increase the job base, build more and better housing, and create stable neighborhoods.

The Neighborhood Progress Administration is responsible for the planning and management of a variety of federal, state and local programs—public and assisted housing, the Community Development Block Grants (CDBG), Urban Development Action Grants (UDAG), the Job Training Partnership Act (JTPA), mortgage and rehabilitation financing and a number of smaller initiatives. In addition, the NPA initiates and implements the City's urban renewal plans and oversees the enforcement of the City's building, zoning and housing codes. Its umbrella also includes oversight of three "quasi-public" development corporations: Charles Center/Inner Harbor Management Corporation, responsible for the development of the City's Inner Harbor downtown business district, the Market Center Development Corporation, guiding the revitalization of Baltimore's downtown retail district, and the Baltimore Economic Development Corporation, serving as the City's industrial development office. These three organizations complement the NPA's many neighborhood-based activities and services. It is a broad and far reaching department which maintains a visible presence in every part of the City.

The history behind the NPA is as important to understand as are its many services. For over a decade, the City's Office of Manpower Resources directed hundreds of millions of federal dollars toward helping Baltimore's poor and unemployed. At the height of the CETA program, this office was attacking unemployment on several fronts—massive job creation for both the structurally and cyclically unemployed, remedial and alternative education, skill training and retraining and a huge array of in and out-of-school job readiness programs for youth. All of our programs were visibly linked to community renewal projects and/or new economic development efforts.

These were successful and meaningful programs. And we also had sufficient resources to establish many less visible but equally significant efforts to help the unemployed—such as economic development loan "packagers" who ensured that our manpower services were included in financial assistance offered to developers and businesses, and free screening, referral and OJT services were made available to all businesses, especially new and expanding businesses. But everyone has

recognized that the scale of resources with which we worked for so many years is now skeletal. In Baltimore, we recognized early that manpower programs cannot and should not stand alone, isolated from the many other systems working to address unemployment—schools, human services, economic development. Unemployment problems cannot be attacked or eased by any one organization—instead, a collaborative and institutional approach is needed.

The Neighborhood Progress Administration is just an institution. The NPA is able to focus its full range of resources on the overall goals of the Schaefer administration. By exercising major influence over community and economic development, we are in a unique position to leverage public and private resources **and** to plan for the future.

The NPA is in the position of being able to leverage a number of public and private resources chiefly because it was formed after months of "strategic" planning. Careful thought and analysis was devoted to all City agencies with common goals—that is, working toward the expansion of the City's tax and employment bases and continued neighborhood stability and development. The fit was natural and the NPA has started to institutionalize the linkages between housing, community development and manpower programs. And the results so far are paying big dividends for people and neighborhoods in need of help. New training programs have been set up in which persons identified and selected by community associations are first introduced to construction and rehabilitation skills in the classroom and then moved directly to on-the-job work on community housing projects. The housing being developed through this program will be subsequently offered for sale to moderate income neighborhood residents. Similarly, residents of one of Baltimore's public housing communities, after an initial classroom training cycle, are completely modernizing their complex. The classroom training portion of this project is being paid through the JTPA while the on-the-job training wages are being funded through HUD modernization funds (this program, in fact, is the first such effort in the nation and required special HUD review and approval). Private developers now have a "one stop" approach to their land, financing and manpower needs within the NPA's streamlined development process. And because the NPA packages a variety of development assistance, manpower training and referral services have become an integral part of all publicly assisted development tools, including Industrial Development Revenue Bonds, UDAGs, loans, etc..

Tomorrow's Goals

Building a local delivery system such as Baltimore's Neighborhood Progress Administration is a tangible product of strategic planning. It has taken three City agencies, which in the past **were** able to operate independently, and united their resources in an effort to better attack their common goals. Yet strategic planning takes the City's needs still further. Today's needs are undeniably crucial and must be continually met; but tomorrow's needs must be anticipated now and the NPA must be readied to respond.

Planning for the future involves a lot of luck and is a thought process in which you first identify the City's economic strengths and weaknesses and secondly, look for opportunities for growth. For example, we recognized that the City's strong hotel and hospitality industries will continue to grow for many years; we have, as a result, built on our existing screening and referral service by establishing a new **training** ground to meet the growing need for trained workers. The facility—when opened late this year—will be an actual "bed and breakfast" inn, managed by professional innkeepers who will be training persons in all phases of the industry. Incidentally, the facility itself is a 19th century midtown townhouse which has been totally renovated by trainees learning construction and rehab skills. The entire project—a model example of what is possible through NPA—is funded through a combination of resources available to the agency.

Still another example of forward thinking is the City's new emphasis toward bio-medical industrial development. One of the City's greatest economic strengths (assets) is its long-standing ties to medical research and treatment institutions. Most notable of these are the Johns Hopkins University and the University of Maryland Professional Complex, both with international reputations. These Universities and the several other related facilities present us with an opportunity to seek out new, private industrial facilities whose technologies and production processes **depend** on access to such research facilities. So in addition to our general development efforts, we are able to direct our attention to **specific** types of industries.

And the NPA—because of its control over many development resources—is able to tailor and fine tune development assistance. Special financing, location and manpower incentives can be packaged exclusively for bio-medical industries.

Conclusion

Strategic Planning is really a thought process for managers. It is a necessary exercise designed to enable managers to step away from daily decision making and force them to plan for the futures of their organizations.

"How to" books—offering managers advice on a wide range of management techniques—can be very useful, but reality dictates that a manager must devote more time and hands-on attention to strategic planning. Lack of clarity in overall goals and objectives only makes daily decision making more chaotic. When strategic planning really becomes a part of a manager's thought process, that manager will begin to **act** rather than **re-act**. A manager who anticipates problems is a successful manager. You cannot plan for **every** contingency, but planning for some of the unexpected allows a margin for dealing with all problems as they arise.

ECONOMIC DEVELOPMENT THROUGH HUMAN RESOURCE DEVELOPMENT

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In a recent issue of **High Technology**, Robert Haavind called for the development of market-oriented technology centers. These centers would have the capacity to turn basic science research breakthroughs into new opportunities for American industry and to apply these new technologies to improve productivity and product quality.

Educators, in the main, have had the reputation of being nonresponsive to these opportunities at the undergraduate level. The Striking New Bargains Conference has soundly dispelled this notion and has challenged the American educational system to expand its curriculum to treat more competently the application of new and expanded or advanced technology. Clearly, we must do more to erase illiteracy, more fully understand and then embrace pedagogic principles, and teach the new and advanced technical skills required for industry. In this regard, faculty training and retraining is essential.

Under the rubric of the challenge to retrain faculty of the college on the one hand and yet to improve productivity measures of the college on the other, Cuyahoga Community College has embarked on an Industry Externship Program. This program will improve the technical and instructional skills of the faculty in high technology programs in a manner deliberately aimed at improving student preparation for employment in Northeast Ohio.

Education For The 21st Century

The challenge of providing leadership and assisting business and industry to prepare for economic growth will be critical well into the 21st century. Education for living successfully in the Communications and Information Age will require clear definitions and timely implementation of technologically relevant educational experiences. Economic development through human resource development will require coalitions and partnerships among education, government, business and industry.

A key component of the economic development through human resource development strategy in Northeast Ohio will be the Unified Technologies Center, a bold new venture for the economic development of Greater Cleveland and the State of Ohio. The Unified Technologies Center is, in concept and design, precisely the kind of facility that Haavind describes as critically needed.

With close proximity to downtown Cleveland, the Unified Technologies Center is located on the Metropolitan Campus of Cuyahoga Community College (CCC). The Unified Technologies Center is adjacent to the East 30th Street exit of Interstate-77 and next door to the historic St. Joseph's Church in the St. Vincent's Quadrangle development area. This area preserves the best in historical commitments and ease of access and is in the midst of new development. With construction approximately 80% complete, the finished facility will make an impressive statement to the Greater Cleveland area in technology application, innovation for new jobs, and training for tomorrow's skills, today!

The Cuyahoga Community College strategy in economic development has emerged in part from its call to leadership in light of the economically painful situation the region has experienced in the past five to ten years. Several economic studies have been analyzed regarding the regional economic problems. After evaluation, CCC has made two conclusions: First, the manufacturing sector is stagnating and losing its share of the market; second, area industries are not participating in emerging technologies. These, we believe, can and must be considered challenges to be addressed. To address these fully, strong linkages must be forged with state and local government, economic development agencies, business and industry, and major educational institutions that are capable of educating and training in the new technologies.

Local And State Partnerships

Cleveland's economic problems have been reflected throughout Ohio. To address these problems, the State,

with the able assistance of an Economic Commission composed of labor, industry, education and community leaders, has prepared a strategic plan for economic development called: Toward A Working Ohio. This plan has three goals: 1) Restore Ohio's position as a world leader in innovation and entrepreneurship; 2) Restore Ohio's competitive edge in business and workforce skills; and 3) invest state and federal funds in job creating initiatives.

Realizing that economic development must be fully supported by a capable pool of trained people, the State, with the Commission, also has prepared a strategic plan for human resource development with three objectives. First, establish a climate of economic self-sufficiency; second, create a high quality of life; and finally, provide quality services for reasonable public expenditures. The State of Ohio's key strategies for supporting its human resources plan are centered around three purposes: investing in educational excellence, enhancing employment skills, and improving access to jobs.

Five years ago, the Ohio Technology Transfer Organization (OTTO) was launched. This important economic initiative brings advanced technologies to smaller businesses. All of Ohio's two-year colleges and technical institutes—along with Ohio State University, Cleveland State University, Youngstown State, and Cincinnati—now comprise the state OTTO network for helping small businesses expand in emerging technologies. Just recently the State unveiled the Technology Information Exchange Innovation Program for businessess and entrepreneuers. OTTO offices will be the points of local access to this new database system.

The most exciting state initiative to date is the **Thomas Alva Edison Partnership Program**. The largest component of the program is the Advanced Technology Applications Center concept. State funding distributed $4.1 million to establish six centers throughout Ohio. For Greater Cleveland, the focus of attention is the Cleveland Advanced Manufacturing Program (CAMP). The origin of CAMP began with Cleveland Tomorrow, a private sector action group established in 1982. This organization formed a nucleus of forty-two chief executive officers of major corporations concerned about the future of Greater Cleveland and the need to move plans into action. The businesses represented by corporate executives cut across the heart of Cleveland's economic future. The first task of the new group was to organize and implement its priority action initiatives. Manufacturing was at the top of the priority program. With the leadership of these sponsoring corporations, application for designation and funding under the State's Edison program as an Advanced Technology Application Center (ATAC) for Manufacturing was launched.

Forging long-term linkages with the region's largest educational institutions, foundations, and industry was required to construct the organizational framework of the new Advanced Technologies Application Center. Success was achieved in securing state funding and the Advanced Technology Application Center designation, and in establishing the requisite organizational linkages, which have been put in place.

Three focused missions form the institutional responsibilities in the CAMP initiative. Case Western Reserve University's mission is in research. Cleveland State University provides leadership in applications and graduate education, and Cuyahoga Community College is responsible for undergraduate education and training. Within CAMP, the concept of working partnerships is the cornerstone of the approach to economic development and training innovation.

Three years ago, the college provided leadership in establishing the mid-America group, a consortium of Midwest community colleges. Each of these institutions had already undertaken technological programs in response to emerging economic problems in their own areas and were working with the private sector. The consortium promotes information exchange and resource sharing, and avoids costly duplication of effort.

Resource sharing is a key concept. Once CAMP had developed and established programs and applications, they were fully extended to wider participatory linkages with neighboring Lorain County and Lakeland Community Colleges. Beyond the post-secondary school partnerships, CCC has developed linkages with Cuyahoga County's larger public school districts. In addition, pre-technology program partnerships are being developed in association with the county's system of joint vocational education planning districts and proprietary schools.

As important as our educational linkages can be, local partnerships among industry, health organizations, small business, and organized labor will be critical to the success of the Unified Technologies Center and CAMP.

The College's alliance with organized labor is especially important, given the unemployment impact that has been associated with new technology applications in manufacturing. We, together with labor, take the position that we must focus on new programs, purposes and priorities to meet the needs of retraining our workforce and creating new jobs to replace those lost in the past five years. Organized labor has a great stake in Cleveland's economic future and must be included at the planning, leadership, and organizing "table" with management.

A "State Of The Art" Technology Center

The Unified Technologies Center is the focal point of economic and human resource development and training partnerships in the Greater Cleveland area. This new facility will be programmatically operational and fully equipped by the fall of 1986. Market-oriented planning has resulted in development of customized programs to support four applied technologies: Advanced Manufacturing, Advanced Information Systems, Advanced Communications Systems, and Advanced Bio-Medical Electronics.

The most prominent aspect of the new center will be the 17,000 square foot open applications showcase. Clearly the focal point of activity, with high ceilings, fully distributed data support systems, communications systems, and closed-circuit television support, the Applications Center will host business and industry or train their employees in applications of advanced technologies in manufacturing, communications, technologies transfer, and business incubation and development.

Our ability to communicate and share resources throughout Ohio, the nation, and the world is critical. The heart of this capability will be the UTC's Conference and Telecommunications Center. Several components make up this part of the UTC. With theater-style seating, the Amphitheater is a "live" origination facility with operational power to host the demonstration of large equipment. Augmented by three-screen rear projection capability, the Amphitheater is designed for multimedia presentations and teleconference programs.

The Meeting Center enjoys the same technological equipment as the Amphitheater. More intimate in characater, the Meeting Center wll host luncheon and dinner meetings. Additionally, the Meeting Center will be a location for developing seminars, workshops, demonstrations and exhibits. To fully support the Amphitheater and Meeting Center activities, seven conference rooms are provided for "break-out" meetings and smaller scale workshops and seminars. Each room enjoys multimedia capabilities to support its activities.

The electronic and video hub of the Conference and Communications Center is the master control room. Essential to telecommunications production and control within the Unified Technologies Center, Master Control will facilitate telecommunications linkages with satellites, microwave, cable, campus programs and the community.

The crown of this educationally unique Conference and Communications Center is the Executive Teleconference Center. This will be a comprehensive audio, video, and graphics origination and reception facility for fully interactive teleconferencing. Over the next five to ten years, telecommunications technology will be fully accepted and implemented worldwide by government, education, business and industry at nearly all levels of management, marketing, training and information exchange. The Unified Technologies Center provides a forum to bring this advanced communications capability to the heart of Cleveland.

Conclusion

The clear challenge ahead illuminates a strategic opportunity to provide a significant resource for the economic development and redevelopment of Greater Cleveland. With cooperation and a vision of the future, the Unified Technologies Center, a venture with the scope and range to meet the challenge, is coming into being.

CASE STUDY OF TRITON COLLEGE'S ROLE IN THE FORMATION OF A REGIONAL ECONOMIC DEVELOPMENT EFFORT

David Kozlowski, Associate Vice President for Economic Development
Triton College
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During the last several years, community colleges within Illinois have emerged as a reliable and responsive entity through which economic development programs could be operated. Recently, grant funds, utilizing one-fourth of the governor's 8 percent holdback of Illinois state grant allocation of Job Training Partnership Act (JTPA) funding, were made available on a competitive basis to begin Small Business Development Centers and Special Business Assistance Centers for government procurement. Prior to that, non-competitive, formula-driven Economic Development Grant funds of $2.5 million set aside from the Illinois General Assembly, were disbursed among all the community colleges in Illinois and earmarked specifically for economic development activities centering around the formation of a business assistance center on each campus.

In addition to these programs, several million dollars per year are allocated by the State's Department of Commerce and Community Affairs (DCCA) for the High Impact Training Service and the Industrial Training Program. These dollars provide for training through community colleges for new or expanding companies or the upgrading of employees. As of this writing, another $600,000 in JTPA funds earmarked for Comprehensive Adult Employment Development await disbursement.

It was amid this statewide flurry of planning and implementing an array of economic development activities that the idea for the Mid Metro Economic Development Group had its beginning.

The Concept Is Born

During the summer of 1982, Richard (Dick) Plain, District Manager of Economic Development for Illinois Bell Telephone Co., approached former Triton College president, Dr. Brent Knight, with the idea of beginning an economic development program for a particular municipality within our district. Dr. Knight responded that he could support a more broadly based program that directed its efforts toward all 22 municipalities within the Triton College district.

Mr. Plain and Dr. Knight selected and recruited an advisory board whose members consisted of representatives from two more utilities (the gas and power companies), the president of a local bank, the executive director of a municipal economic development corporation, a representative from a manufacturer's association and Dick Plain, Dr. Knight and myself. The board met monthly to formulate ideas toward making a regional economic development program a reality. During the late fall of 1982, Triton College approached Morton College, a community college located on the southern edge of our district. Morton's district encompasses six municipalities whose characteristics, demographics and need for economic development parallel Triton's, and together, the two colleges filed for and received a $30,000 seed money grant from DCCA.

With these dollars, we are able to accomplish three pivotal steps toward the realization of our goal—a regional economic development entity funded primarily from the private sector. The first step we took was to place Mr. Charles Willson (president of Willson Real Estate Service) on retainer as an advisor to our group. Mr. Willson has more than 30 years of professional economic development experience through work with Commonwealth Edison, the municipality of Elgin, Illinois, and Continental Bank, one of the largest financial institutions in Chicago. Second, we began to plan a kickoff luncheon. This was to be our formal and, we hoped, highly publicized announcement to the world at large that we were open for business. And finally, we met with representatives of Profile Publications of Crystal Lake, Illinois, to map out copy and photographs for a 24-page, full-color viewbook describing the positive aspects of living, working and doing business in west suburban Cook County.

We considered a number of names for our regional economic development entity, but finally settled on the West Suburban Economic Development Group or WEDG. After living with this name for several months, the board changed it to Mid Metro Economic Development Group at the suggestion of Charlie Willson. This new name, it was reasoned, described not only our

location, but also one of the key attributes cited in our marketing efforts, namely our "centrality" to the greater Chicago market.

Launching The Progam

In February 1983, we began to work in earnest toward the kickoff luncheon, drafting and printing a constitution and by-laws, as well as several brochures explaining the goals and objectives of Mid Metro. We also compiled support statistics to graphically illustrate the need for a regional economic development effort.

We scheduled the kickoff luncheon at the Hyatt Regency O'Hare on Tuesday, June 14, 1983, and prepared a list of more than 300 invitees. These were selected from those areas of commerce, industry and government that would be impacted and, conversely, have impact upon an economic development program. Included were bank presidents, CEO's from large corporations and commercial firms, owners of major restaurants, hotels and motels, labor officials, mayors, state senators and representatives, county council members, chamber of commerce executives, trustees from both community colleges and the press.

Prior to sending out the invitations, we secured a letter signed by Governor Thompson and Ormand Wade, President of Illinois Bell Telephone Company, and reproduced it on State of Illinois stationery. The letter, mailed to each prospective invitee, explained Mid Metro and announced the upcoming kickoff luncheon, urging attendance at this event. Staff from Illinois Bell Telephone and DCCA were instrumental in helping to arrange for this letter. A short time later, the actual invitations were sent out with response cards and pre-stamped envelopes enclosed. Follow-up phone calls were placed to encourage and remind people to attend. The speakers for the kickoff luncheon were Lieutenant Governor George Ryan; Ormand Wade, President of Illinois Bell Telephone Co.; Dr. Daniel Moriarty, President of Triton College; and Charles Willson. At each place setting we included a packet of information about Mid Metro and a pledge card to solicit membership. Ron Gibson of the DCCA staff came up with the idea of a personalized gift for each attendee. On top of each information packet, we placed a ballpoint pen containing an LED clock and attached to it a small, neatly printed note saying, "it's time to sign up for Mid Metro."

"While plans for this kickoff luncheon were progressing, visits were paid to almost all the mayors in the area to explain Mid Metro, and each was sent a letter describing the group's activities. A mayors' luncheon was held one week prior to the kickoff luncheon to reinforce the Mid Metro message and attempt to secure their support prior to the kickoff. Concurrently, the appropriate papers were being drawn up by attorneys from Illinois Bell to allow us to file as a 503 C 6 non-for-profit corporation in the State of Illinois.

The Mid Metro information packet prepared for the kickoff luncheon contained a projected annual budget of $125,000 to support three staff people and their activities. Four levels of pledges were developed to secure funding for this budget.

The kickoff luncheon was attended by approximately 110 people and resulted in several fine articles from the press. Several pledges were received that day, and numerous pledge cards were turned in with requests for additional time and information. These provided good leads for future contacts.

Following the kickoff luncheon and throughout the summer of 1983 numerous visits were made by teams of members of the Mid Metro board to banks and businesses to solicit pledges of membership. A packet of information about Mid Metro, including reprints of newspaper articles on the kickoff luncheon, was carried to each appointment. Most contacts require two or three visits before a definite commitment or refusal of support was obtained.

Employing Staff

Through the fall of 1983, the board continued to meet. Fund-raising and the employment of our first full-time executive director were the major topics. A one-page fact sheet, written in a question-and-answer format, was drafted and printed for use as a marketing tool.

Major contributions from the Hyatt Corporation and Illinois Bell Telephone, coupled with pledges in varying amounts and funds received by both Triton and Morton Colleges, allowed us to employ Mr. Conrad Kiebles as of January 1, 1984 as Executive Director of Mid Metro. With the cooperation of President Ron Gosell and the Board of Directors of the Northwest Suburban Manufacturers Association, we were allotted space for Mid Metro offices in NSMA's headquarters in Franklin Park, Illinois.

Recently, Triton College and Morton College were successful in obtaining funding for a joint proposal to create a procurement office as a part of Mid Metro. This enabled Mid Metro to expand its staff to three persons and add government procurement to its list of economic development activities. The first meeting of the newly constituted Board of Directors of Mid Metro was in January of 1984. Short-term goals established by the board are to secure an extension office in the Morton College district, implement a schedule of municipal financial support to Mid Metro based on equalized assessed valuation, expand the base of corporate members and reach out to enlist the support of organized labor.

Mid Metro is beginning to act as a catalyst, providing answers to identified needs and establishing credibility by helping existing businesses. Numerous articles featuring Mid Metro have appeared in local and Chicago-area papers. Many leads were produced by an industry retention study of more than 300 companies conducted by Triton and Morton Colleges during the summer of 1983.

Lessons Learned

Some hard-earned lessons were learned in the process of establishing the Mid Metro Economic Development group. Any similar efforts should consider the following factors:

- The first formative advisory board should be broadly based to include community leaders, large corporations and members of the press. Such leadership will enhance the credibility of the new organization and facilitate fund-raising.

- Mailing lists must be scrutinized closely to be free of errors and precisely targeted. A president of a bank whose name is misspelled is unlikely to respond to future solicitations.

- Desired pledge amounts should not be disclosed in the invitations. These sums tend to frighten prospects away before a complete presentation can be made.

- Time should be concentrated on larger prospects. All solicitations of this type consume surprisingly large amounts of time and are rarely concluded in fewer than three appointments. The time required to develop a $100 contributor and a $5,000 contributor does not differ.

- It is important to check and recheck every detail. Business responds best to accuracy, quickness, attention to detail and efficiency. Any less will cloud the chances of securing the solicitation.

Triton College and Morton College are pleased with the success of the Mid Metro Economic Development Group. We have actively involved ourselves in an entity that can stabilize the local economic base, provide jobs for our constituents and engender positive attitudes about living and doing business in our service area. The Mid Metro effort typifies the activities of community colleges. Such community involvement sets us apart from other educational institutions. It is what we are all about.

THE ROLE OF THE COMMUNITY COLLEGE IN ECONOMIC DEVELOPMENT

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Most citizens now accept the fact that all elements of our society have some role to play in advancing our nation's prosperity and business activity. The welfare of individuals depends a great deal on the state of the economy, and so does the collective fiscal health of the nation and its government. Whether or not we call it economic development, most of us see the necessity for nearly all our institutions to contribute in some way to the organized promotion of economic growth and business activity. Jobs depend on business activity; income depends on jobs; and people depend on income. The links in the chain are clear to most people.

What is not clear to some people, however, is that institutions like community or technical colleges have a major role to play in economic development. Some say the task should be left to chambers of commerce, business itself, industry organizations, government agencies, economists, or maybe even large universities—but certainly not two-year colleges. At most, some say, community colleges might train prospective employees needed by new or expanding businesses—or they might retrain current employees to perform new, more productive tasks. Such efforts are not really economic development, and there is little else a two-year college can do to advance prosperity or business activity, according to the critics.

Efforts Underway Throughout America

However, the facts tell a much different story. All over America two-year colleges have become pivotal elements in efforts made to increase business activity, lift employment rates, create more jobs, make possible greater consumer spending, enable governments to gather more tax revenues, and in general, develop more favorable conditions in which to live. There is a new awareness of how community colleges can contribute to economic development efforts at the state, national and local levels. Each of these three levels will be considered briefly in the sections that follow.

New industries are attracted to areas well served by educational institutions. A high quality, low cost, two-year college works like a magnet to help attract new employers to a locality. A community college can serve employees and their dependents, as well as employers in need of assistance in training people for new jobs.

In South Carolina, the TEC System serves new and expanding industries at no cost, and is the source of the solid supply of trained technicians needed to attract and retain high tech industries for the State. In addition, the TEC innovative technical centers, located at technical colleges spread around the State, serve as showplaces, demonstration locations, and training sites for new equipment and new technology. The achievements of South Carolina's TEC System have been spectacular. Not all of the State's recent economic advancement can be attributed to its Sunbelt location and its low cost labor. The TEC System deserves a great deal of the credit.

Other states, too, have similar two-year college training capacities that have proved to be successful in attracting or retaining employers—to name just a few: Colorado, Minnesota, North Carolina, Texas, and in Ohio the Ohio Technology Transfer Organization.

Governor Hunt of North Carolina said in 1982 that his State's community colleges are the backbone of the economy, and the single most important element in the State's program of economic development. In Colorado, the acronym FIRST (Flexible Industry-Related Startup Training) describes a community college-based program that provides training for new or expanding firms. Minnesota operates a network of regional consortia using community colleges and votech centers to provide tailor-made training for business or expansion. In Texas, the industrial startup training program offers similar services through community colleges and other educational institutions. Ohio's OTTO program (Ohio Technology Transfer Organization) bases technology transfer agents at two-year colleges where they serve business and industry much like agricultural extension agents have historically served farmers. These are just a few of the examples of the contributions being made by

two-year colleges to advance the economic development of their states. At the national level, community, technical and junior colleges constitute a large and powerful force for improving our country's productivity through training, retraining, and cooperation with other organizations. Serving as the leader of 1200 such institutions, the American Association of Community and Junior Colleges has been striving first to "Put America Back to Work," then to "Keep America Working." Corporations such as Kellogg, Harcourt-Brace-Jovanovich, Sears, General Motors, and others, have assisted the nation's two-year colleges in these efforts either through their foundations or through direct corporate involvement in training. The result has been a series of interconnected activities on the national scale that eclipses any and all university-related national economic development activities.

Other national groups of community colleges have made significant contributions to the country's economic development. To name one—the National Postsecondary Alliance, a consortium of 85 two-year campuses from all over the nation, has been involved in various important activities. The Alliance has used conferences and meetings to train community college leaders for work in economic development; it enables innovative two-year colleges to share ideas with each other and to compete as a group for grant awards; and it was responsible for the publication of the monograph, "Economic Development and the Community College," a 1984 publication.

Contributions To Local Economic Development

It is at the local level, however, that community colleges have made the most significant contributions to economic development. Institutions have displayed an almost unbelievable range of inventiveness in designing ways to help local business and industry. A few examples convince one of the community colleges' creativity.

Near Salem, Oregon, Chemeketa Community College operates a Training and Economic Development Center to combat unemployment. The Center provides training for any new industry; it helps small business avoid red tape involved in expansion; and it helps new businesses come to life by assisting budding entrepreneurs.

St. Louis Community College joined forces with the Ford Motor Company to revitalize the aging Hazelwood assembly plant and convert it into the nation's most advanced robot manufacturing operation. Customized training, linking with unions and with other groups such as JTPA, and the use of computers and other high tech devices were all used in this successful employer retention operation in St. Louis.

In the Greensboro, North Carolina area, Guilford Technical Community College has been serving as a full-service trainer for Proctor and Gamble Company in the startup of a new plant. Workers trained have included: maintenance, security, typists, production, management, and dentifrice compounding and processing. Literally hundreds of Proctor and Gamble workers have been trained by this community college.

Triton College, near Chicago, focused on retaining business and industry in the community, among other economic development-related efforts. A survey was conducted of the 230 largest employers in the district to identify potential problems that could possibly result in layoffs or plant shutdowns. Most problems identified were reported to other agencies for solution. Those agencies included: chambers of commerce, State Department of Commerce and Community Affairs, social welfare agencies, and so forth. The college itself handled employer needs related to career assessment, counseling, training and placement. A wide variety of special offices and programs were developed to do so at Triton College.

Although there are hundreds of other examples of innovative approaches taken by two-year colleges to advance the economic development of their local service areas, one final example from a small town in Southeastern Ohio will be cited. Hocking Technical College assists groups of students enrolled in the same technical programs to form small profit-making businesses. One group uses the College's sawmill to produce wood products for sale. A second group sells ceramic products made in the College labs. A motel-restaurant owned by the College is run as a business, and an AAA-franchised travel agency (run by students) serves the general public. The basic structure of these student-owned corporations involves: filing for a profit-making corporate charter, selling stock (preferred stock is for students only), using student labor to produce goods or services that can be sold competitively, paying wages to student workers, paying taxes, using income to purchase raw materials, devoting surplus revenues to the purchase of additional equipment and/or to pay

dividends to stockholders. Few colleges in the nation can match the innovative, entrepreneurial spirit displayed by Hocking Technical College's student-owned profit-making corporations.

Main Types Of Contributions

The involvement of the five institutions just cited is representative of the ten main types of contributions community colleges typically make to the economic development of their local service areas. These are:

- Deliver training and retraining.
- Help make business and industry more productive.
- Work with employers, the chamber of commerce, and other groups to help retain existing business and industry.
- Help attract new employers.
- Develop entrepreneurs.
- Assist others in securing grants and contracts.
- Help displaced workers.
- Survey community resources and needs.
- Supply missing community services.
- Work to develop international business for local firms.

In conclusion, although support for economic development is nearly unanimous, not all citizens feel that higher education has a role to play in it. Some believe that two-year colleges, in particular, have little or nothing to contribute to the process. Such beliefs are founded on a lack of knowledge of what is, in fact, being done around the nation. The results achieved have enhanced the life of the communities in many ways. That, of course, is the mission of the community college.

Through providing customized training for new or expanding industries, assisting dislocated workers by their retraining programs, teaching entrepreneurship, and by providing other services, the nation's community colleges make immense contributions to the welfare of their local communities, their states, and the nation. The two-year college has a pivotal role to play in economic development. It's time all citizens realized the fact.

Co-sponsored by;

* American Association of Community and Junior Colleges
* Cleveland Commission on Higher Education
* Council of State Governments
* National Alliance of Business
* National Association of Private Industry Councils
* National Governors Association
* Northeast-Midwest Institute
* American Economic Development Council
* Council of Great Lakes Governors
* Council on Urban Economic Development
* National Association of Manufacturers
* National Center for Research in Vocational Education
* National Job Training Partnership, Inc.
* Ohio Job Training Coordinating Council

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